

FINANCIAL TIMES

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Saturday June 16 1979

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NEWS SUMMARY

GENERAL

Malaysia threat to ship out refugees

Malaysia intends to ship out to sea the 70,000 Vietnamese refugees camped along its coast and will shoot on sight any more trying to land, said deputy Premier Datuk Mahathir.

He said the deportations would start immediately and would proceed as fast as boats could be built to carry the refugees. The "shoot on sight" legislation would be enacted as soon as possible.

"If they try sinking their boats they will not be rescued, they will drown," he said. Page 2

Brezhnev and Carter meet

President Carter and President Brezhnev met for the first time yesterday at the start of their four-day summit in Vienna.

Brezhnev is expected to make another attempt to break the deadlock in the European troop reduction talks during his meetings with the U.S. President. Page 2

Thorpe case not made out—QC

The Crown case in the Jeremy Thorpe trial was not made out, said Thorpe's counsel, George Carman, QC. "Let this prosecution fold in a neat and quiet way."

Mr. Justice Cantley will start his summing up at the Old Bailey on Monday, and the verdict of the nine men and three women jurors is expected mid-week. Thorpe and three other men plead not guilty to conspiring to murder former male model Norman Scott.

Goldsmith wins libel fight

Millionaire financier Sir James Goldsmith did not libel or slander World in Action television reporter Michael Gillard when he referred to him as a blackmailer, a High Court jury held.

Sir James's defence was that the allegation of blackmail was true. Mr. Gillard was ordered to pay the estimated £12,000 cost of the five-day action.

Tube strike off

Threat of London Underground strike on Monday was lifted when the executive of the National Union of Railwaysmen agreed to refer a pay dispute to arbitration. Page 4

Taxi fares up

London taxi fares are to rise by an average of 29 per cent from July 22, the first increase since December, 1977. Page 3

Slater appeal

The High Court turned down an application by Jim Slater, former chairman of Slater Walker Securities, to appeal to the House of Lords against a previous ruling that he was guilty of offences under the Companies Act involving £4m. Page 3

Rail service hit

British Rail took a fleet of 55 electric locomotives out of service for safety checks after a wheel fault was found in six of them. Services between London Euston and Birmingham were halved. The checks are expected to be finished this morning.

Briefly...

Lord Boothby, aged 79, was said to be "stable" in hospital after a fall. He is thought to have broken a leg.

Two raiders with hand guns grabbed travellers cheques worth £50,000 in an attack on a security guard delivering to Thomas Cook's in Gracechurch Street, London.

Three men drowned when their fishing boat capsized off the east coast of Scotland.

BUSINESS

Equities rise 4.3; Pound up 1.07c

● **EQUITIES** reversed their downward trend, and end-of-account book-squaring benefited leading shares. The FT ordinary index closed 4.3 up at 478.5, making a fall of 24.7 on the week.

● **GILTS** closed mixed with the 12-month rate up 0.20 to 70.24.

STERLING closed 1.07 cents up at \$2.1065 against a weakened dollar.

The pound's trade-weighted index was unchanged at 63.2 but the dollar's fell from 86.3 to 86.4.

GOLD rose \$14 to \$280 in London and in New York the Comex June settlement price was \$279.80 (\$277.70).

TOKYO shares closed sharply higher with the Nikkei Dow average 42.40 up at 6143.94.

WALL STREET closed 8.56 up at 843.30.

U.S. FEDERAL Reserve Board member, Mr. Henry Wallich, has said that the Euro-market poses a mounting threat to the monetary policies of the major industrialised countries, and has urged tighter controls.

CROWN AGENTS dealings in secondary banking and property will cost the British taxpayer about £140m, according to the senior crown agent, Mr. Sidney Eburne. Page 4

EXXON chairman has warned that the group would be unable to supply 14 per cent of its customers' needs this year, unless the OPEC countries could be persuaded to increase production. Page 2

SINCLAIR RADIONICS, the pocket television company controlled by the NEB, is to seek a large capital injection to produce a flat screen TV set. Back Page

CHEMICAL industry pay negotiations with process workers have broken down after employers refused to make any substantial improvement to their 14 per cent offer. Many chemical companies now face industrial action. Back Page

MIDLAND BANK computer staff are being balloted by the Banking, Insurance and Finance union on a series of official one-day strikes over pay. Page 4

PILKINGTON Brothers, the glassmaker and processor, reports pre-tax profits for the year to March 31 of £90.3m (£71.7m), in spite of a second-half slowdown caused by the haulage strike. Page 22 and Lex

UKO Ltd pre-tax profits for the year to March 31 were little changed at £3.36m (£3.31m) on turnover up from £39.8m to £45.6m. Page 22

Oil Exploration ... 272 + 18

Ultramar ... 296 + 8

Kloof Gold ... 715 + 21

Vaal Reefs ... 174 + 2

FALLS

Treas 15jpe 1988 E1184 - 1 1/2

Burnett and Hallamshire 375 - 13

Combined English Stores 123 - 5

Hall (Matthew) ... 285 - 10

Kitchen (R.) (Taylor) 164 - 11

Pressac ... 100 - 6

Peko-Wallend ... 278 - 12

Sunjet Best ... 285 - 10

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas 14pc 1983 E1024 + 1/2

Avery's ... 260 + 8

Bacley's Bank ... 448 + 8

Debenhams ... 87 + 4

English China Cls ... 89 + 5

Escom ... 254 + 6

GEC ... 362 + 6

Great Portland Est ... 288 + 12

Crus A ... 181 + 10

London Trust ... 167 + 10

Post-Office ... 180 + 12

Sidbrook ... 202 + 6

Watlington ... 222 + 8

Woolo Shoes ... 143 + 9

Woolo ... 350 + 9

Retail price index up 10.3% before Budget increases

Budget increases

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The underlying rate of retail price inflation has been rising steadily in recent months, well before the post-election round of price increases, let alone the impact of the Budget, have had time to work through.

Department of Employment figures published yesterday show that the retail prices index rose by 10.3 per cent to 215.9 (January 1974=100) in the year to mid-May, compared with an increase of 10.1 per cent in the 12 months to mid-April. This is the seventh month running in which the 12-month rate has risen.

The Budget proposals, especially the sharp rise in value-added tax, are expected to add about 4 per cent to retail prices. The impact will be reflected almost entirely in the July index, due to be published in mid-August.

The Treasury has forecast that the 12-month rate will be up to 16 per cent by the late summer and to 17 per cent by November. This may not be the peak, especially if local authorities and public corporations respond to public-spending cuts by raising rates and charges.

The projections take account of the impact on food prices of the proposed devaluation of the EEC green pound, but not of the small impact on the cost of living of a possible rise in the mortgage rate later in the summer.

Alitalia suspends plan to buy six DC 10-30s

BY PAUL BETTS IN ROME

ALITALIA, the Italian national airline, has effectively suspended its planned £148m purchase of six McDonnell Douglas DC 10-30s following the aircraft's grounding in the U.S. and fresh doubts about its safety, Sig. Umberto Nordio, Alitalia chairman, said yesterday.

Sig. Nordio claimed that he was not in a position to say whether Alitalia would eventually go through with the deal. "This will clearly depend on future developments," he said.

The airline signed an initial contract with McDonnell Douglas only last month to increase its DC-10 passenger and cargo fleet to 14 aircraft.

But Sig. Nordio said yesterday that the contract was subject to approval by both the Alitalia parent company, Istituto per la Ricostruzione Industriale, the giant state holding group, and the Italian Government.

CBI and BL chiefs knighted

BY PHILIP RAWSTORNE

EIGHT OF the country's leading businessmen are knighted in the Queen's Birthday Honours today. A further 17 top industrialists are awarded the CBE, many of them for services to exports.

The industrial and commercial knights in the first honours list to be recommended by Mrs. Margaret Thatcher are led by Mr. John Greenborough, President of the Confederation of British Industry and deputy chairman of Shell UK.

Knighthoods also go to Mr. Michael Edwards, chairman of BL, appointed by the Labour Government in 1977 to re-organise the ailing Leyland car group; Mr. Alex Jarratt, chairman and chief executive of Reed International and a former civil servant; and Mr. Robert Hunt,

chairman and chief executive of the Dowty Group, which he joined as an apprentice in 1946. The four other businessmen knighted are Mr. Gordon Hobday, chairman of Boots; Mr. Maurice Hodgson, chairman of Imperial Chemical Industries; Mr. Ronald Swayne, chairman of Overseas Containers; and Mr. Anthony Tuke, chairman of Barclays Bank.

Mr. John Davies, former Conservative Secretary for Trade and Industry, who recently retired from the Commons after a severe illness, is one of seven former Tory MPs who receive life peerages.

The other new political peers, balancing the number of former Labour MPs elevated in Mr. James Callaghan's resignation honours list, are Miss Betty Harvie Anderson, the first woman to preside over Commons proceedings as Deputy Chairman of Ways and Means; Mr. Joseph Godber, a former Agriculture Minister; Mr. Oscar Burton, former Deputy Speaker; Mr. Richard Wood, former Overseas Development Minister; Sir David Renton, former MP for Huntingdon, and Mr. David Gibson-Watt, former MP for Hereford.

On Mrs. Thatcher's personal recommendation, a life peerage also goes to Mrs. Diana Neave, widow of Mr. Airey Neave, the Tory Northern Ireland spokesman and close adviser to the

£1.8bn in new Gilts stock issued

By Our Economics Correspondent

THE GOVERNMENT yesterday announced the issue of £1.8bn of gilt-edged stock in an attempt to finance its borrowing needs over the next couple of months.

The authorities want to take maximum advantage of the conditions created after the two-point rise in Minimum Lending Rate to 14 per cent on Tuesday, and the sale of more than £750m of gilt-edged stock on the following day.

There are two issues, £800m of 12 per cent Treasury 1984 and a further tranche of £1bn of 12 1/2 per cent Exchange 1999. Both are being issued in a partly paid form and are offered for sale by tender. Applications must be submitted by 10 am next Thursday.

The size of the issues led to slight falls in some gilt prices. There is still uncertainty about the appropriate level of short- and long-term interest rates.

The official view is that MLR should remain at its present level for the time being, until the rate of monetary growth has clearly come under control.

At last night's prices the 1984 issued looked rather expensive, though the 1999 stock was more in line with existing yields.

The minimum tender price on the 1984 issue is 97.50 per cent where the gross redemption yield is 12.67 per cent. A total of £50 per cent is payable on application and the balance is due on July 11.

Only £15 per cent has to be put up next Thursday on the 1999 issue, which could prove attractive to foreign investors if conditions look favourable next week.

A further £25 per cent is due on July 6, with the balance on August 8.

The minimum tender price is 95.50 per cent, where the gross redemption yield is 12.89 per cent.

Sterling strengthened against a generally weak dollar yesterday, rising 1.07 cents to \$2.1065, its highest closing level since September 1975. The trade-weighted index was unchanged at 63.2.

Monday afternoon's crucial meeting in Zurich between the airlines air authorities, McDonnell Douglas, and the U.S. Federal Aviation Authority.

The talks will be preceded in the morning by a final meeting of the 18 European DC-10 operators aimed at hammering out the last points of the tighter, more intensive maintenance plan for the aircraft.

The afternoon forum will be an extraordinary meeting of the European Civil Aviation Conference. Two officials from the FAA will attend.

British Caledonian and other DC-10 operators hope the conference will endorse the revised maintenance proposals as more than adequate to ensure the safe operation of the aircraft. If endorsed, the plan would go to individual governments for final approval by national airworthiness authorities.

Continued on Back Page Details, Page 4

Walker plans to devalue green pound

BY IVOR OWEN AND CHRISTOPHER PARKES

MR. PETER WALKER, Minister of Agriculture, yesterday announced plans to increase farmers' incomes and wipe out the competitive advantage the Danes, Dutch and Irish have been exploiting in the British bacon market. As a result, food prices in the shops will increase.

He also set the scene for a bitter confrontation with some of his European Community colleagues at his first formal meeting of the Council of Ministers in Luxembourg on Monday and Tuesday.

Mr. Walker told the Commons he would press in Luxembourg for a 5 per cent devaluation of the green pound to apply to all commodities in Britain with an extra 5 per cent to be applied for the benefit of the ailing pig industry alone.

Such a change would also have the monetary advantage of raising average food prices by 2 1/2 per cent, and adding 10 per cent to the retail price index.

The Ministry calculated that a 5 per cent adjustment would raise average food prices by 2 1/2 per cent, and this figure includes the vast range of commodities not covered by the Common Agricultural Policy—oil, for example, and all 100 per cent of the retail price index.

Such a change would also have the monetary advantage of raising average food prices by 2 1/2 per cent, and adding 10 per cent to the retail price index.

An Irish farmer association said that if the Ministers' plan were approved, the cut in the exchange rate would "undermine the trade. The Danes, especially, that stand to benefit greatly, opposed such a radical adjustment, they would probably be able to cope with the difficulties better than other suppliers."

The National Farmers' Union, welcoming Mr. Walker's statement, said it still wanted a 10 per cent devaluation applied to all commodities.

"The union still believes firmly that following last year's decline in farm incomes, a 10 per cent devaluation is necessary. The severe winter, soaring energy costs and high interest rates have made this more necessary than ever," the union said.

Pressure

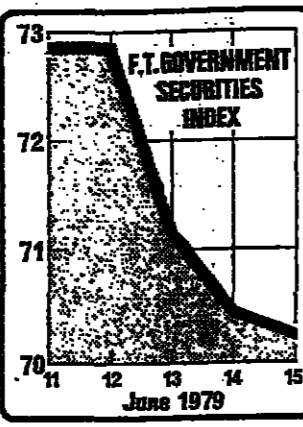
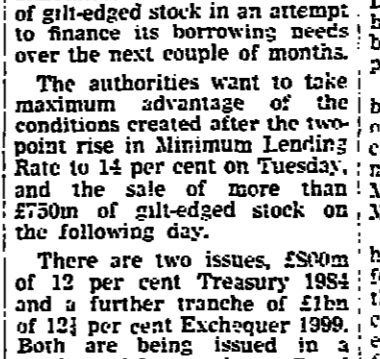
Mr. Walker can expect a different response when he meets the EEC Council next week. The French in particular will be unwilling to allow further price rises for British farmers while Mr. Walker remains determined to freeze prices for commodities in the rest of Europe.

Pierce pressure will probably be applied on him to relax the stance, and counsel offered for his devaluation plans is likely to depend on his response.

The Minister said yesterday he recognised there could be difficulties in winning the extra devaluation for pigmeat. When the French were allowed a similar adjustment the Council made it clear that was the last time.

"I shall attempt to persuade it to allow us to do it on this particular issue," Mr. Walker told MPs.

News Analysis Page 4



£ in New York

| | June 15 | Previous |
|-----------|---------------|---------------|
| Spot | 182.1100-1110 | 182.070-0980 |
| 1 month | 0.65-0.60 dis | 0.68-0.54 dis |
| 3 months | 1.66-1.61 dis | 1.70-1.65 dis |
| 12 months | 4.50-4.50 dis | 4.50-4.50 dis |

CHIEF PRICE CHANGES YESTERDAY

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RISES

Treas 14pc 1983 E1024 + 1/2

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OVERSEAS NEWS

Troop reduction hint at Vienna summit



President Brezhnev arrives in Vienna.

MR. LEONID BREZHNEV, the Soviet President, is expected to make another attempt in his summit meeting here with President Carter to break the deadlock in the European troop reduction talks, known as MBFR.

But carefully orchestrated leaks from Warsaw Pact diplomats of what Mr. Brezhnev has in mind, perhaps as a "first step" to negotiations at official level later, suggest little advance on previous Soviet positions.

The core of the Soviet proposals is reported to be a separate bilateral accord with the U.S., under which Russian troops in Europe would be reduced by 60,000 and American troops by 32,000, coupled with a freeze on the existing strength of the Warsaw Pact and NATO forces.

But a freeze would leave unresolved the central disagreement over the size of the Warsaw Pact military presence. For this reason, and because the U.S. is known to be reluctant to entertain any Soviet initiative without first consulting its NATO allies, it is thought here that the Soviet President may be more interested in scoring publicity points.

Before leaving Washington, U.S. officials carefully warned against expecting any breakthrough on the subsidiary issues, including MBFR, which are due to be discussed here over the weekend before Monday's signing of the Strategic Arms Limitation Agreement.

The two heads of state met for the first time last night in the glittering Maria Theresia

room of the Austrian President's office when they paid a courtesy call on Dr. Kirschschlager. Both were due to attend the performance in the evening by the Vienna State Opera.

A principal fascination here has inevitably been the state of Mr. Brezhnev's health. Unlike Mr. Carter the night before, he made no remarks on arriving in Vienna. During airport welcoming ceremonies, while laying wreaths at Soviet and Austrian war memorials and in his meeting with Mr. Carter, he appeared unsteady and even slightly bemused.

But he was also clearly making a determined effort not to appear to be gravely ill, and therefore incapable of a weekend's summit with the American President. He is accompanied by an exceptionally strong delegation, including three other senior members of the Politburo and the Chief of Staff of the Soviet armed forces.

Among the subsidiary issues on the agenda at the summit, the Soviet Union is known to attach particular importance to the granting by the U.S. of most-favoured-nation trading status, precluded under the 1974 Jackson-Vanik amendment because of the absence of Soviet assurances on Jewish emigration.

Most-favoured-nation status would do more for Russian self-esteem than for the country's economic prospects. The Soviet desire to be treated as an equal by the United States as part of the motivation for making concessions on its dissidents and Jewish emigration.

Malaysia threatens to fire on boat people

By David Tonge

MALAYSIA announced yesterday that it would begin to ship out to international waters the 76,000 refugees from Vietnam for whom it has provided asylum. It also said that it was preparing legislation to fire on refugees away. It underlines the worsening plight of the refugees and increases the pressure on Hong Kong.

The Malaysian decision was announced by Deputy Prime Minister Datuk Mahathir Mohamad. In the past Malaysia has towed out to sea about one-fifth of the motley armada of refugee boats which survived the crossing from Vietnam, according to local reports. However, the refugee tide has continued to increase, with some 17,000 arriving in the last month, according to the UN High Commission on Refugees.

"Being humane has not paid off for us at all," Deputy Prime Minister said. "All we are getting is a further inflow of Vietnamese illegal immigrants."

Sir Murray Maclehoze, Governor of Hong Kong, who is visiting London for talks with the British Government on the refugee crisis and is to visit Washington next week, described the Malaysian decision as "a desperate reaction to a desperate situation." He warned that the "patience and humanity" of the countries round the South China Sea was beginning to snap.

Mrs. Margaret Thatcher, the Prime Minister, has called for an international conference on the situation while Mr. Cyrus Vance, the U.S. Secretary of State, has said that at this weekend's Carter-Brezhnev summit in Vienna the USSR would be asked to use its influence on Vietnam to reduce the outflow.

Yesterday the International Committee of the Red Cross issued a worldwide appeal for an emergency plan, an appeal made only 24 hours after a similar appeal by the office of the UN High Commissioner for Refugees.

At present there are around 400,000 refugees from Vietnam in South Asia—250,000 in China, 78,000 in Malaysia, 53,000 in Hong Kong and 30,000 in Indonesia. A further 300,000 refugees from the country have been resettled outside the area since 1975, mostly in the U.S. and France.

What is particularly disturbing in the area is that there are between 0.8m and 1.4m further ethnic Chinese in Vietnam who, it is feared, could be made refugees if Hanoi does not change its policies.

Further, Thailand houses about 160,000 refugees from Vietnam, Laos and Kampuchea (Cambodia).

Japan registers \$800m current account deficit

BY RICHARD C. HANSON IN TOKYO

JAPAN HAD its second consecutive monthly current account deficit in May as the merchandise trade surplus narrowed sharply. The outflow of long-term capital continued, but at a slower pace than in recent months.

Preliminary figures show the current account registered a deficit of \$800m compared with a \$248m deficit in April. Trade was in surplus by \$70m, down sharply from a surplus of \$810m the previous month.

Exports on a fob basis rose 7 per cent from a year ago to \$8.13bn and were up from \$7.81bn in April, when the annual rise was a small 1.3 per cent. The volume of exports was up 29 per cent from a year ago, the first rise in volume in eight months, but the Finance Ministry expects the trend to less volume will continue.

Steel exports were up 26.4 per cent, and car exports remained at last year's very high level. Fob imports were up 29 per cent to \$8,06bn. Foodstuff imports climbed sharply, as did coal and raw materials for metals. Oil imports, 26.5 per cent of the total, were down from a year ago, but the drop reflected much heavier than normal imports in May 1978 to avoid a new duty from June.

On a seasonally adjusted basis the May current account deficit was actually smaller than April, \$8m against \$501m, and the trade surplus widened to \$864m from \$267m. The adjustment reflects the tendency for May imports to be much larger than other months.

The long-term capital account showed an outflow of \$1,25bn, down from the April outflow of \$2,151bn. This was the result of a reduced outflow of Japanese capital for portfolio investments by about \$500m from the previous month and a switch to net inflow for foreign investment in securities of \$400m.

The overall balance of payments was in deficit for the eighth month in a row by \$750m, compared with a deficit of \$2,973bn in April. Seasonably adjusted the overall balance was in surplus by a small \$44m compared with an adjusted deficit of \$3,216bn in April.

Exxon unable to supply 14% of its customers' needs

BY TERRY DODSWORTH IN PARIS

MR. CLIFTON C. GARVIN, chairman of Exxon, the world's largest oil company, said yesterday that the group would be unable to supply 14 per cent of its customers' needs this year. Speaking in Paris during a tour of Europe, Mr. Garvin said that Exxon had calculated on a growth of between 2 and 3 per cent in world demand this year. "We have made efforts to acquire new sources all over the world," he said, "but my expectation is that this shortage will continue at Exxon until we can convince the OPEC countries to increase production."

Exxon seemed to be in a worse position than most of its competitors, he added, mainly because the company's output of Iranian oil had been radically reduced since the revolution. Purchases from Iran had fallen from 450,000 b/d to 70,000, and at the same time a large buying contract with BP had been cancelled.

Mr. Garvin said the group's estimate of the overall shortfall of petroleum product supplies to the Western world this year would be between 3 and 4 per cent. This should not cause panic, because it could be easily contained by prudent conservation policies. Exxon had since the revolution, on the basis of historical demand from its customers.

David Lascelles adds from New York: Mr. Garvin's remarks come in the wake of accusations in the U.S. that the oil companies have deliberately been withholding supplies from the market until prices go up.

Dr. James Schlesinger, the Energy Secretary, said earlier this week that oil companies had been "unnecessarily conservative" in the amount of oil they have been refining, and his staff would investigate what was going on. At the moment, the exact supply situation is confusing, with crude oil imports and stocks rising, but petrol supplies and refinery usage sharply down on last year.

Exxon has begun inserting large advertisements in the Press claiming that its deliveries of petrol are actually higher than last year's, despite the tight oil market.

Reuters reports from Brussels: The amount of oil traded on the Rotterdam spot market has fallen considerably from an earlier figure of 5 per cent of European supplies. Common Market Commission officials said yesterday.

TWO CITIES' REFERENDUM Venice votes on divorce

BY RUPERT CORNWELL IN ROME

IT WAS an unlikely marriage in the first place: between La Serenissima, the delicate lagoon city, once centre of an empire, and the ugly urban sprawl on the mainland, enmeshed in the petrochemical and port complex of Mestre Marghera.

Tomorrow the people of Venice have a chance to file for divorce. Voting begins in a referendum on whether to split the old city and its brash modern satellites back into two separate local government units. The outcome is anyone's guess.

In fact, separation would be a vindication of history. The lagoon city was founded 1200 years ago by settlers who fled there for safety from barbarian invaders on the mainland. Administratively they remained distinct until 1926, when Mussolini in a gesture of Fascist grandeur added Mestre and other towns to the Venice municipality.

In those days 200,000 people lived in the historic city, and barely 30,000 in the fledgling industrial towns. Today, the population of Venice proper has declined to 130,000, while the "barbarians" now number 230,000 and Porto Marghera has grown into one of Italy's largest petrochemical centres.

The problems of Venice, though, remain. Their complexity is a measure of the uniqueness of the city's position. Houses, churches and artistic treasures have to be restored. Work is only slowly under way to at last tackle pollution and provide a decent sewerage system.

And nothing has yet been done to deal with the city's most serious threat, the high Adriatic tides which 30 times a year send the sea spilling over into St. Mark's Square. Venice may not be sinking any longer, but the acqua alta show just how vulnerable it remains.

The idea of a referendum first took shape in late 1977. Its four sponsors gathered more than double the 5,000 signatures required in the six month period allotted, half of them in Venice and half in Mestre, and tomorrow and Monday, the municipality's 270,000 voters will decide.

But which way the result will go, it is impossible to predict. The opinion polls forecast a dead heat, and confusion is heightened by the way in which the political parties, mostly against the proposals, have largely lost control of their supporters.

The campaign, coming at the end of a three-week voting marathon for the people of Venice after this month's general and European elections, was inevitably slow to get off the ground. But the accusations now being flung between the palazzi along the Grand Canal have all the venom local issues can generate.

A young supporter of separation was beaten up for his views on Thursday night, while Sig. Luigi Scaramuzza, a Christian Democrat city councillor, has resigned in protest at his party's official line against the referendum proposals.

The most famous rebel is Sig. Bruno Visentini, Budget Minister, possible future Governor of the Bank of Italy and de facto leader of the Republicans. Sig. Visentini is, however, also chairman of Venice's Cini Cultural Foundation, and whatever his party might think, the most prominent spokesman of the separatists.

Backing him are the Liberals, the neofascist MSI, and the Social Democrats. But lined up in favour of the status quo are all Italy's political heavyweights: Christian Democrats (who control the Veneto region), Communists and Socialists (who between them control the municipality). The people though are heedless of what the parties say.

The separatist case is that it would be best for Mestre, as well as for the preservation of old Venice, if the two were split. The interests of the one are the detriment of the other, as the separatist posters put it: "A townhall with two heads produces too many ideas." In other words, you cannot govern by reconciling the irreconcilable.

Iraqi planes attack across Iran border

BY ANDREW WHITLEY IN TEHRAN

IRAQI WARPLANES have again attacked Iranian border villages in defiance of a threat by Tehran officials to take "severe measures" in the event of a repetition of the June 4 raids.

Tehran radio said yesterday the air attack, on Thursday night in western Ilam province, coincided with ground fire on Iranian positions in the same area from across the border. No reports of casualties or damage were available.

The incident is the latest in a mounting succession of irritants for the new Iranian regime and is bound to put the relationship with Iraq under severe strain.

Relations had been untroubled since March 1975, when an agreement between the Shah and Mr. Saddam Hussein, the Iraqi Vice-President, ended after a decade of hostility, frequently bordering on all-out war.

The trouble along Iran's western border comes at a difficult time for Mr. Mehdi Bazargan's Government, deeply embroiled in the major issue of the country's future constitution. Publication of an officially approved draft constitution promised for yesterday, was postponed once again at the last moment.

Mr. Yadollah Sahabi, the Minister of State for Revolutionary Affairs and a close colleague of the Prime Minister, told journalists it had been sent back to Ayatollah Khomeini for further amendments. Its public release is now due in a week's time.

Cyprus talks resume

BY OUR NICOSIA CORRESPONDENT

GREEK CYPRIOT and Turkish Cypriot representatives began a new round of talks in Nicosia yesterday—the first for more than two years—to try to resolve long-standing differences on the island, divided since the 1974 Turkish invasion.

It had been widely expected that one of the first issues raised by the Greek Cypriot side at yesterday's meeting was the presence of an adviser from Turkey—constitutional law expert Professor Mumtaz Soysal. The Turkish Cypriot interlocutor, Mr. Umüt Suleyman Onan explained that Mr. Soysal would only deal with constitutional matters and that his presence would not alter the intercommunal character of the talks.

Diplomatic observers saw Mr. Soysal's presence as indicating Turkish Cypriot dependence on Turkey for negotiating a future settlement for the island.

David Tonge adds: One month ago the two communities' leaders reached a 10-point agreement which gave priority to allowing Greek Cypriot refugees to return to Varosha, the tourist suburb of Famagusta.

Under the agreement, the resettlement of Varosha was to take place "without awaiting the outcome of the discussion on the other aspects of the Cyprus problem." But now the Turkish side is making it clear that substantial concessions must be part, though perhaps an early part, of a wider package.

U.S. industrial production shows rise of 1.3%

BY DAVID BUCHAN IN WASHINGTON

INDUSTRIAL PRODUCTION in the U.S. last month bounced back by 1.3 per cent, largely offsetting the April decline of 1.4 per cent, caused in the main by the national truck drivers' stoppage in that month.

However, output of both consumer goods and construction supplies in May remained below their March levels, the Federal Reserve Board reported yesterday. The May figures should not trouble economists in the Carter Administration, who have been welcoming a slowdown in the economy to help curb rampant inflation, but they may please political tacticians, who do not want a recession in advance of next year's election campaign.

Output of consumer goods rose 1.8 per cent in May following the 2.5 per cent decline in April. Car production was a strong feature here, regaining its March level.

David Lascelles adds from New York: Citibank, as expected, cut its prime rate by 1/2 per cent, continuing the trend set by Morgan Guaranty earlier in the week. Unlike most other banks, Citibank sets its prime according to a formula based on the cost of short-term funds. A number of smaller banks followed Citibank's move yesterday.

Despite these developments, bond prices weakened slightly in the wake of the announcement of the rise in industrial production and Thursday's sharp rise in the money supply.

Australian strike called

BY OUR CANBERRA CORRESPONDENT

AUSTRALIA FACES a national strike next week for at least a day, and possibly longer, following the arrest of 10 trade unionists during a meeting in the Pilbara, the world's richest iron ore area, about 1,000 miles north of Perth.

Four days after the incident, four of the six state labour councils—branches of Australian Council of Trade Unions, have called for a 24-hour national strike in protest at the arrests on Thursday, when the 10 unionists appear in court.

Left-wing unions covering metal workers, truckdrivers, dock workers, seamen, and employees in the power industry, have called for three- and four-day strikes and boycotts. Some have threatened to keep their members out indefinitely.

The chance of a compromise dimmed after Sir Charles Court, the West Australian Premier, refused to intervene and said the Government would not re-examine the Act under which the trade unionists were charged until after the court hearings finished. The unionists say they will refuse to pay fines if they are imposed by the court.

Mr. Peter Nolan, the secretary of the ACTU, said he could "not ignore requests" to coordinate a national strike. Mr. Nolan yesterday urged Mr. Malcolm Fraser, the Prime Minister, to ask the West Australian Government to repeal the legislation, and "restore some sanity in the situation."

While Government-union confrontations have a habit of flaring out at the last moment in Australia, the drawn-out and bitter background to the dispute, and the importance of Pilbara to the Australian economy means that any extension beyond next week could have a damaging impact.

The Orion Insurance Company Limited

- 1978: Progress in a difficult year
- Profit before tax £4,064,000 (1977: £3,642,000)
 - Investment income up 19% on comparable basis
 - 1976 marine and aviation accounts produced satisfactory profits despite an adverse trading environment
 - The London non-marine account developed good premium growth
 - Motor and UK regional fire and accident business resulted in a loss—although substantial progress was made in redeveloping these accounts

| | 1974 | 1975 | 1976 | 1977 | 1978 |
|--------------------------|--------|--------|--------|--------|--------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Total premiums | 17,012 | 18,472 | 24,936 | 26,479 | 25,009 |
| Investment income | 3,284 | 3,536 | 4,143 | 4,393 | 5,069 |
| Underwriting Profit/Loss | 1,185 | 1,261 | 4 | -258 | -546 |
| Profit before tax | 4,043 | 4,188 | 3,624 | 3,542 | 4,064 |
| Shareholders' Funds* | 8,007 | 8,022 | 14,500 | 15,745 | 14,814 |
| Total Assets* | 57,603 | 69,011 | 90,644 | 90,684 | 89,174 |

* The figures for 1976—1978 include investments at market values which exceed book values.

Copies of the full Report, Accounts and Chairman's Statement can be obtained from The Secretary, The Orion Insurance Company Limited, 70/72 King William Street, London EC4N 7BT.

Orion is a member of the Nationale-Nederlanden International Insurance Group

Moves to reopen Rhodesia road

BY TONY HAWKINS IN SALISBURY

NEGOTIATIONS between Zimbabwe Rhodesia and Zambia on the re-opening of road links between the two countries have been in progress for several months. But it is understood the Lusaka Government had still to make up its mind.

In a statement on Thursday the Ministry of Transport had said the deck of the Victoria Falls bridge, used for the road traffic replacement. This had been known since 1975 but the Zambian Government has refused permission for Rhodesian workmen to undertake the necessary repairs. The statement said that once such permission was given, it would take approximately a month to have the bridge re-opened for road traffic.

The rail bridge, linking the two countries at the Victoria Falls originally closed by Ian Smith's Government in January, 1973, was re-opened last October at the request of Zambia's President Kenneth Kaunda to import vital supplies of fertiliser and for the export of Zambian copper via Zimbabwe Rhodesia.

Talks about reopening the three road links between Zambia and Zimbabwe Rhodesia at the Victoria Falls, Kariba and Chirundu—started last year, soon after the rail link was restored. The Salisbury Government is understood to have stipulated its conditions for the resumption of road traffic which are essentially the same as those accepted by the Zambians in respect of rail traffic. These are that Zambia should instruct the Zipra guerrillas loyal to Mr. Joshua Nkomo, based in Zambia, that road, rail and power installations should not be attacked. The Zipra guerrillas are understood not to have attacked the railway from Botswana via Bulawayo to Zambia for some time now, apparently reflecting the success of Zambian demands. However, the main Rhodesian line to South Africa at Beit Bridge is frequently sabotaged by Zambian guerrillas loyal to Mr. Mugabe, operating from Mozambique.

It is understood in Salisbury that if Zambia is to meet its maize import requirements, it will be necessary to open the Chirundu road link as well as that at the Victoria Falls. Some repairs to the Chirundu bridge will be necessary but these are not expected to involve any long delays. The maize and other Zambian import requirements would then be sent by rail from the South African ports to the railhead at Lions den in northeast Rhodesia and taken by road across the border into Zambia.

Using this route would raise the possibility of sabotage of both rail and road transport by Mr. Mugabe's guerrillas operating in the eastern half of Zimbabwe Rhodesia.



The Royal Bank of Scotland

INTEREST RATES

The Royal Bank of Scotland Limited announces that with effect from 15th June 1979, its Base Rate for lending is being increased from 12% per annum to 14% per annum

The maximum rate of interest allowed on Deposits lodged for a minimum period of seven days or subject to seven days' notice of withdrawal at the London Offices of the Bank will be increased to 11 1/2 per cent per annum.

John Smith

UK NEWS

Slater appeal bid falls

By Tim Dickson

MR. JIM SLATER yesterday failed in his attempt to appeal to the House of Lords against a previous ruling that he was guilty of offences under the Companies Act involving £4m.

Short VAT reprieve for vending machines

By Colleen Toomey

VENDING MACHINE operators, who have been claiming that an increase in Value Added Tax to 15 per cent could put some of them in danger of "complete collapse," received short-term assistance from Customs and Excise yesterday.

Overseas investment to be eased

By Nicholas Colchester

THE GOVERNMENT is studying ways of gradually lifting the exchange controls on portfolio investment overseas.

Reyrolle plans redundancies

By Hazel Duffy, Industrial Correspondent

THE 4,000-STRONG work force at Reyrolle's Hebburn plant, Newcastle upon Tyne, is to be cut because of a drop in orders for heavy switchgear equipment.

Commercial vehicle sales soar

By Kenneth Gooding, Motor Industry Correspondent

SALES OF commercial vehicles in the UK in May were the second highest ever in a single month, according to the Society of Motor Manufacturers and Traders.

Joseph finds lack of enterprise among jobless in Scotland

By Ray Perman, Scottish Correspondent

SIR KEITH JOSEPH yesterday took his free enterprise message to Glasgow, the first of the high unemployment areas he is to visit, but found few enthusiasts for it among the men whose jobs are at risk.

Paradise to become sales chief for Chrysler UK

By Kenneth Gooding, Motor Industry Correspondent

MR. FILMER M. PARADISE, the flamboyant American who became a well-known figure in the UK motor industry during the 1950s and 1960s, is to join Chrysler UK.

Howell ends State oil option rights

THE Department of Energy confirmed yesterday that the British National Oil Corporation was to lose its right of first option on North Sea deals in which oil companies propose to buy or sell licenses.

Taxi fares to rise by 29%

By Colleen Toomey

LONDON TAXI fares are to rise by an overall 29 per cent from July 22, Mr. William Whitelaw, Home Secretary, announced yesterday.

Train shortage hits Inter-city

By Kenneth Gooding, Motor Industry Correspondent

BRITISH RAIL announced yesterday there would be alterations and cancellations of Inter-city services on the Easton-to-Birmingham, Liverpool-to-Manchester routes owing to a shortage of electric trains.

Reuters plans to duplicate London centre

REUTERS, the news and business information agency, is to build a duplicate of its London technical centre in Geneva.

Advertising cost record £1.8bn last year

By Maurice Samuelson

ADVERTISERS SPENT £1.8bn on promoting their products in Britain last year. Although this was the highest cash total ever, it was below the 1973 record after allowing for inflation.

NEWS ANALYSIS - GREEN POUND DEVALUATION

Price roundabouts and swings

By John Cherrington

ALTHOUGH the 5 per cent devaluation of the Green Pound - half what the National Farmers' Union had been asking for - will mean a substantial increase in some farm support prices, notably for grain, milk, sugar and beef, the actual increases will take some time to filter through to the farm gate.

At the same time the Monetary Compensatory Amount payments on imports of these products from fellow members will be reduced. These MCA payments are made to member countries exporting to Britain and act as a subsidy on them to avoid the distortions of monetary differences in the Community.

The full extent of the rise in intervention prices immediately because of over-supply and consequent heavy discounting. But these may be only a temporary phenomenon and price rises eventually are bound to work through.

Owing to very heavy discounting in the bacon trade the present published prices are somewhat unreal. British farmers and processors will welcome the opportunity to compete on equal terms with their fellows in other countries which up until now farmers and processors claimed has been unfairly subsidised by the MCAs.

C. Hoare & Co. logo and text: Announce that as from Saturday the 16th June 1979 their Base Rate is being altered from 12% to 14%

Nationale-Nederlanden International Insurance Group

Good results and continued growth in 1978

The Group's 1978 Results and Dividend

- Net profit increased by 21% to DFIs 248.3 million
- Net profit per share rose to DFIs 18.09 (1977: DFIs 16.35*)
- Dividend per share increased 16% to DFIs 5.50 (1977: DFIs 4.75*)

Notwithstanding the increased value of the Dutch guilder revenue rose 9%. International business accounted for 36% of total revenue. Improved results from non-life business contributed to healthy profit growth. Funds available for investment were at record level. Share issue and good investment performance boosted net assets by 26%.

Table with columns: REVENUE, Premium income: life, non-life, professional reinsurance, Income from investments and other activities, Gross Profit, Profit participation life policyholders, Taxation & minorities, Net Profit, Exceptional expenditure, Exceptional revenue, Available for appropriation, Dividend, Retained, Total assets, Insurance funds, Net assets. Rows for 1978, 1978 (in DFIs '000,000), and 1977.

In the United Kingdom:

The Orion Insurance Company Limited
The 1978 accounts show: Premium income £25 million; Investment income £5 million; Profit before tax £4 million.

Merchant Investors Assurance Company Limited

Continuing its rapid rate of growth in the U.K. unit linked life and pensions sector, Merchant Investors premium income in 1978 at £20.6 million showed an increase of 64% over the previous year.

The Life Association of Scotland Limited reports:

Premium revenue in 1978 increased by over 37% and investment income by over 25%. At 31st December 1978 long-term funds exceeded £100 million for the first time.

Nationale-Nederlanden operates on an international scale with branches or associated companies in the Netherlands, the United Kingdom, the Republic of Ireland, Belgium, Norway, Spain, Canada, the United States of America, Surinam, the Netherlands Antilles, South Africa, Australia, Singapore, Malaysia, Indonesia, the Philippines, and through general agencies in Denmark, Saudi Arabia, the United Arab Emirates, Oman and in other countries.

For more information on our 1978 results write for our Annual Report in English to The Secretary, The Orion Insurance Company Ltd., 70-72 King William Street, London EC4N 7BT.

UK NEWS

Crown Agents' £140m foray

BY TERRY OGG

THE CROWN AGENTS' excursion into secondary banking and property will cost the British taxpayer about £140m, Mr. Sidney Eburne, the former merchant banker who last year became senior crown agent, disclosed yesterday.

"The results of this review will begin to take effect in the coming year, but we have already started new services in health care and rural development and have completed a re-organisation of the traditional engineering and procurement departments."

The main feature of the "new era" will be the sharp cleavage with the past through the new Act making Crown Agents an incorporated body. This was approved by Parliament earlier this year and given Royal Assent in April.

While announcing the new era for Crown Agents, Mr. Eburne also hinted strongly at an increase in fees charged for some of its services in the near future.

Judge winds up 'silver bank'

THE "SILVER BANK," Kendall and Dent, was compulsorily wound up by the High Court yesterday. Deputy Judge Allan Heymann QC said the bank had misled the public and broken the law.

Tube strike off-NUR agrees to arbitration

BY PHILIP BASSETT, LABOUR STAFF

THE IMMEDIATE threat of a strike which would have halted all London Underground services from Monday was lifted yesterday when the executive of the National Union of Railwaysmen agreed to refer a pay dispute to arbitration.

It was decided to suspend the strike of its 15,000 Tube members after considering a formula for arbitration worked out at talks between the three rail unions, London Transport, and officials of the Advisory, Conciliation and Arbitration Service.

The independent chairman of the panel will be Mr. Ian Buchanan, of the economics department of Dundee University, with employers' and union representatives completing the team.

Midland Bank computer staff in strikes ballot

BY NICK GARNETT, LABOUR STAFF

COMPUTER STAFF in the Midland Bank are being balloted by the Banking, Insurance and Finance Union on a proposed series of official one-day strikes over pay.

The English clearing banks have offered their 200,000 staff 11 per cent new money together with full consolidation of their 5 per cent productivity payment.

TUC puts £200m plan for Shotton

AN INVESTMENT of over £200m to build new basic oxygen furnaces at Shotton steelworks is one of a series of proposals to be considered by the TUC national steel committee for submission to the Government.

Rists engineers reject 14% offer

PRODUCTION remained at a standstill yesterday at the Rists Wires and Cables factory in Newcastle-under-Lyme, Staffordshire, after engineers rejected a 14 per cent pay offer.

About 200 engineers and drivers have been on strike for a fortnight and more than 3,000 manual workers have been laid off.

Mass EEC Liberal protest

EUROPEAN LIBERALS may formally challenge the credentials of British Tory and Labour MPs at the opening next month of the European Parliament in Strasbourg.

Scientific research escapes big cuts

BY MAURICE SAMUELSON

SCIENTIFIC RESEARCH work emerged almost unscathed from cuts in allocations by the Department of Education and Science resulting from Budget decisions.

Murray attacked on Budget

BY MAURICE SAMUELSON

MR. LEN MURRAY, general secretary of the TUC, was accused yesterday of wanting to destroy democracy by leading organised labour against the Government's economic strategy.

Liensing cost

PROVISIONAL ESTIMATE of the total cost of the vehicle registration and licensing system in 1978-79 is £55m, Mr. Kenneth Clarke, Transport Parliamentary Secretary, said yesterday in a Commons written reply.

Birthday Honours for politics and industry



Mrs. Diana Neave (Baroness), John Davies (Baron), Anthony Tuke (Knight), John Greenborough (KBE), Bruce Henderson (CBE), Maurice Hodgson (Knight), Gordon Hobday (Knight), Robert Hunt (Knight), Alex Jarratt (Knight), Horace Cutler (Knight)

RECOGNITION for service in politics, industry, medicine, science, local government, publishing, the arts, and the Civil Service is featured in the Queen's Birthday Honours.

Created Life Peers are three Baronesses and 11 Barons; one Privy Counsellor is appointed; and 29 Knights Bachelor named.

ORDER OF THE BRITISH EMPIRE: Mrs. Margaret Kate Weston, director of Education and Science.

KBE: Mr. Hedley Bernard (John) Greenborough, president, Confederation of British Industry.

CBE: Mr. L. P. Altman, member of council and president, Motor Assets Association.

Knight: Mr. R. E. Cooke, managing director of KEF Electronics, for services to export.

Mr. J. V. Green, safety engineer, MFL Parsons and Co.

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THE WEEK IN THE MARKETS

The moment of truth

THE CHANCELLOR'S Budget Statement on Tuesday lasted for well over an hour—but the moment of truth for the City came in a brief couple of paragraphs less than a third of the way through. Not for the first time, said Sir Geoffrey Howe, the levels of public spending and borrowing which Mr. Healey had permitted were far too high to be compatible with his own monetary targets. "Reluctantly, I shall myself be obliged to take painful action to correct that mistake."

Painful it certainly was. The new target range for the growth of sterling M3 in the 10 months to next April was to be 9 to 11 per cent. That in itself represents a really savage squeeze during a period when inflation could well be running at 15 per cent and more. Thirty seconds later Sir Geoffrey was announcing a two-point jump in the Bank of England's Minimum Lending Rate to the crisis level of 14 per cent.

The Stock Market's immediate reaction was uncharacteristically sober. Dealing in glit-tered had, as usual, stopped for the day. By the time the Chancellor stood up, equity prices had edged only marginally in late trading.

Bitterness
That was the calm before the storm. On Wednesday morning, the Government broker slashed the price of the long tap stock by 51 points and, amid some confusion and a certain amount of bitterness among those who had been left out of the rush, virtually the whole lot (£800m) was cleared out in a matter of moments.

In equities, the mood was depressed right from the start—and it got worse as the day wore on. On Wednesday and Thursday, the Financial Times 30-Share Index lost a total of more than 27 points.

The initial hope was that the increase in interest rates would turn out to be strictly a short term affair—designed to give the Government broker a chance to find a new base from which he could start selling stock in significant quantities.

But the money supply figures published on Thursday suggested that the rates might have to stay high for some little while if the increase is to have its intended effect.

In the half year running to last October, sterling M3 had been rising at an annual rate of 10.2 per cent—but since then the rate has increased to over 13 per cent and the month to mid-May brought a rise of 1.2 per cent. Bringing that kind of increase under control may take more than just a week or two of high short term interest rates. At any rate the banks, after a day of sibilily shuffling, decided that 14 per cent was the right figure for their base lending rates. They all moved up in a rush on Thursday.

All this excitement has had a marked effect on the foreign exchange market, and the trade weighted index for sterling has risen a full point to 68.2. The pound is now backed by the highest interest rates available in any major capital market, as well as by oil wealth. Foreign investors have to weigh against the fact that inflation in the UK is now accelerating at a rate well above that suffered by most of its trade competitors. But UK Government bonds must still look a tempting speculation to overseas buyers, and the fate of the two new tap stocks which the authorities unveiled yesterday may well lie in their hands.

Equity pipeline
Faced with a big public-sector borrowing requirement and a commitment to cut direct taxes it was no surprise that the Chancellor has decided to sell off some of the country's equity holdings to help pay the bill. All told he plans to raise around £1bn in the current year.

But the problem is that apart from the Government's 51 per cent stake in BP (including the former Burmah holdings) there is not much else left that is both readily marketable and capable of raising large sums for the Exchequer. Indeed, because of the litigation over the former Burmah holding of

77.8m BP shares, it is assumed that the Government will only sell off part of its own holding of 119.5m shares. At current prices of around £11 per share this is worth around £1.3bn. Assuming the Government sold off 20 per cent of BP at £11 per share, this would raise £285m.

It is only two years since the previous Government sold off 68.8m shares at £8.45 and the prospect of another sizeable chunk coming on to the market has hit the BP share price. Ahead of the Budget the BP shares were trading around £12.25 but by the end of the week they had fallen to £11.42 considerably faster than the market. However, there will be a substantial institutional

demand for the shares BP is the biggest constituent of the FT-Actuaries oil share index, but because of the large Government shareholding institutions have never been able to get a satisfactory weighting of BP in their portfolios.

Apart from BP there are a few other National Enterprise Board holdings that could be easily sold. The NEB's 50 per cent stake in Ferranti is worth just over £40m and its 25 per cent holding in International Computers Ltd is worth much the same. Both companies are doing well and there would be plenty of institutional demand.

Apart from those two, the Government may well sell off its 24 per cent stake in British Sugar worth £25m, say, and there would be no shortage of bidders for the Fairway group of engineering companies which might fetch roughly the same sort of price.

However, the above four companies are not going to provide the Chancellor with much more than £150m at best, and any further official sales of assets will take much longer to prepare. There are some juicy

plums such as Cable and Wireless, plus parts of the Post Office's telecommunications side, British Airways and National Freight Corporation. But these could not be sold overnight.

Chloride sparks
Few shares resisted the immediate post Budget shake-out. On its own, Chloride's 16 per cent annual pre-tax profit increase to £29m would have been insufficient to withstand the tide of falling prices but the battery manufacturer did manage to ally the market's fears on two important points and the shares edged up a little on the results.

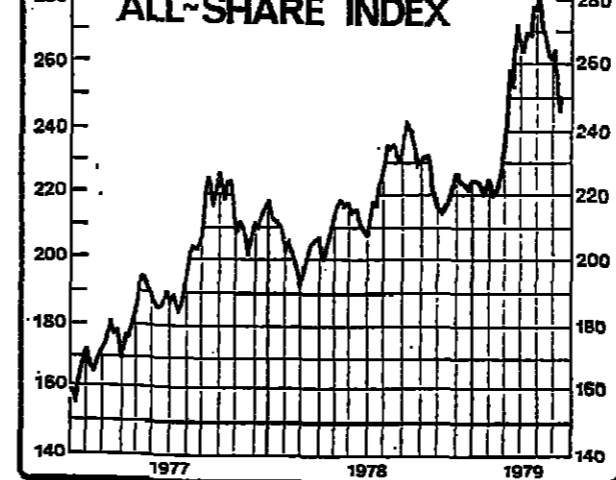
Batteries are lasting longer and it had been suggested that like Dunlop, Chloride would be faced with a falling level of replacement demand. But while tyres are irrevocably linked to the automotive market, the group is confident that new battery applications can be successfully exploited.

The balance-sheet remains reasonably strong with net borrowings rising from £64m to £73m and net assets rising from 57.9 per cent to 61.3 per cent. The exceptional price of lead, now double what it was a year ago, and the implications for the working capital requirement and gearing in a high interest rate climate had been disappointing.

Capital expenditure, on the other hand, levelled off. Chloride has shown a firm control of working capital and, most important, is convinced that lead prices will start tapering off. The long-term price projection apparently is about £400 per ton against the current level of 2600 per ton.

B & C hesitates
While prices were falling, some companies were already savouring their new found dividend freedom. British and Commonwealth Shipping by contrast was less ambitious. The total dividend for the year was raised by a tenth to 10.5875p per share and shareholders will have to be patient to discover how much more the company may be prepared to pay.

Not that the group's trading



performance urges any pressing need for caution. Certainly, there were exceptional debits but if the currency loss at Overseas Containers and a write down on the floating supply base are excluded, profits rose by £1.3m to £30.6m last year. The upturn compares very favourably with the fortunes of P and O and Ocean Transport.

But then shipping is no longer a significant part of the group's activities. The air transport division, mostly helicopters, earned around £10m last year and the aviation support side contributed a further £4m.

Westland, too, looks as if it is making a good profit from helicopters—at last. The manufacturer broke with tradition during the week and published interim profits. These amounted to £5.21m before tax and are untroubled by the huge provisions on the Lynx contract which, at £16.2m, dragged the group into a £2.9m loss in 1977-1978.

Doubts remain as to the future of the contract (thought to be worth as much as £400m) first to supply the Lynx to Egypt. These follow from the decision by the rest of the Arab world to isolate Egypt economically after the Cairo-Tel Aviv peace treaty. Westland, however, remains cautiously optimistic and stressed this week that there was no cause for concern about the financial position of the contract. Lord Aldington, the chairman, said that he was sure that Westland would win Lynx orders from the Arab states.

Television or gin
The absence of duty increases on alcohol in Tuesday's Budget came as a pleasant surprise to brewers, distillers and drinkers. Almost all equities have done

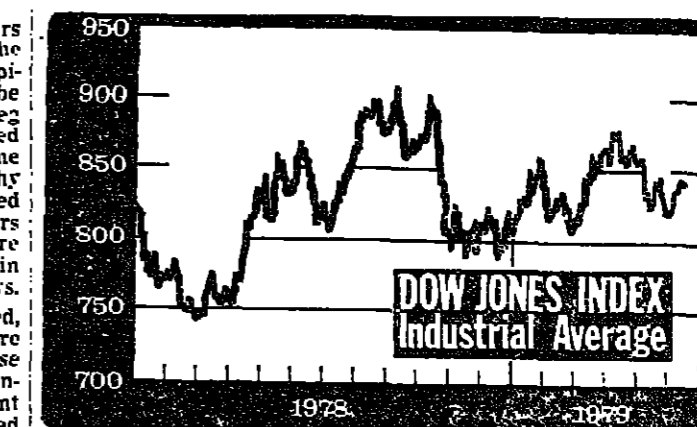
Little progress

LIKE A SLIGHTLY overweight but highly resolute businessman on a running machine, the New York Stock Market has been huffing, puffing, raising considerable dust but really making very little progress. Brokers who had been wondering whether they could afford that European holiday may now be making firm reservations since the market is in the thick of a trading rally which, unhappily for investors is failing to add much value to share prices.

Tuesday's 45.4m shares traded made it the busiest New York Stock Exchange day since last November 1 and although the momentum subsequently relaxed somewhat, it still remains high. Clearly the impressive volume figures point to greater institutional participation and equally clearly the lack of comparable progress in the Dow Jones Industrial Average suggests that many portfolios are being face-

lified rather than significantly expanded. Cosmetic trading is probably a prudent reaction to the balmy breeze of confidence on many parts of Wall Street that for one reason or another interest rates are on their way down and the economy headed for a softer cushion of slower growth and lower inflation. Tuesday's turbulent trading was sparked by the venerable Morgan Guaranty Trust Company's decision to cut its prime rate from 11 1/2 per cent to 11 per cent, a move subsequently followed by a number of other, but not all, leading banks. We have in fact been here before in February and March when a number of banks went down to 11 1/2 per cent only to return to 11 1/2 per cent in the spring because of the high cost of money market funds.

During the past three weeks, however, the cost of short-term funds has been falling impressively and each one hundredth of a point fall has been a building block for the tower of hope on Wall Street that cheaper money, a slower economy and ultimately the start of a new business recovery is the track at last being taken by the economy. P. G. Wodhouse once wrote



lifted rather than significantly expanded. Cosmetic trading is probably a prudent reaction to the balmy breeze of confidence on many parts of Wall Street that for one reason or another interest rates are on their way down and the economy headed for a softer cushion of slower growth and lower inflation. Tuesday's turbulent trading was sparked by the venerable Morgan Guaranty Trust Company's decision to cut its prime rate from 11 1/2 per cent to 11 per cent, a move subsequently followed by a number of other, but not all, leading banks. We have in fact been here before in February and March when a number of banks went down to 11 1/2 per cent only to return to 11 1/2 per cent in the spring because of the high cost of money market funds.

During the past three weeks, however, the cost of short-term funds has been falling impressively and each one hundredth of a point fall has been a building block for the tower of hope on Wall Street that cheaper money, a slower economy and ultimately the start of a new business recovery is the track at last being taken by the economy. P. G. Wodhouse once wrote

But there were other more promising sideshows to attract the investor's money. Charter Company which recently acquired Carey Energy Corporation rocketed 9 1/2 to 36 1/2 on Tuesday after the company said its earnings looked likely to make the satisfactory progression from \$1.17 per share to \$10 per share.

But other traditional leaders such as IBAI are providing unexpected problems. This stock (split four for one on June 1) tumbled mightily from \$75 on Tuesday to \$74 on Thursday after the company confirmed that its earnings may be reduced somewhat because customers are showing a greater disposition to rent their computers rather than purchase them.

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EQUITIES AFTER THE ELECTION

The table lists the changes in the FT Industrial Ordinary share Index and its constituents over the five weeks since the record high was established the day after the general election.

| Ind. Ord. Index | 1979 | | | |
|-------------------|-------|--------|--------|--------|
| | Price | Change | High | Low |
| Ind. Ord. Index | 478.5 | -80.1 | 558.6 | 446.1 |
| Allied Brews. | 89 | -13 | 102 | 80 |
| BOC Int. | 74 | -7 | 81 1/2 | 65 1/2 |
| British | 530 | -195 | 755 | 530 |
| Blue Circle | 298 | -44 | 356 | 244 |
| Boots | 190 | -45 | 238 | 184 |
| Bowater | 173 | -36 | 209 | 171 |
| BP | 1,142 | -88 | 1,246 | 882 |
| Brown (John) | 489 | -98 | 592 | 356 |
| Cadbury Schweppes | 591 | -91 | 691 | 51 |
| Courtaulds | 95 | -21 | 122 | 94 |
| Diallors | 215 | -34 | 259 | 198 |
| Dunlop | 48 | -12 | 80 | 60 |
| EMI | 97 | -17 | 144 | 97 |
| GEC | 342 | -88 | 456 | 311 |
| Glaxo | 453 | -62 | 600 | 453 |

U.K. INDICES

Average week to 15 8 1

| FINANCIAL TIMES | June 15 | June 8 | June 1 |
|-----------------|---------|--------|--------|
| Govt. Secs. | 71.51 | 72.84 | 72.84 |
| Fixed Interest | 73.29 | 75.06 | 75.12 |
| Indust. Ord. | 489.4 | 510.9 | 513.7 |
| Gold Mines | 187.3 | 202.6 | 194.6 |
| Do. (Ex 5pm) | 161.3 | 165.6 | 159.9 |
| Ttl. bargains | 19,045 | 16,492 | - |

| FT ACTUARIES | June 15 | June 8 | June 1 |
|---------------------|---------|--------|--------|
| Capital Gcs. | 254.10 | 266.06 | 266.09 |
| Consumer (Durable) | 236.32 | 246.75 | 246.48 |
| Cons. (Non-Durable) | 238.36 | 247.17 | 248.25 |
| Inds. Group | 242.21 | 252.02 | 252.19 |
| 500-Share | 275.61 | 286.95 | 284.87 |
| Financial Gp. | 193.65 | 199.66 | 201.57 |
| All-Share | 253.09 | 262.60 | 261.65 |
| Red. Debs. | 58.92 | 60.01 | 60.42 |

TOP PERFORMING SECTORS IN FOUR WEEKS FROM MAY 17

| % Change | |
|------------------|------|
| Oils | +1.6 |
| Overseas Traders | +3.1 |
| Discount Houses | +3.6 |
| Shipping | +4.1 |
| Tops and Games | +5.2 |
| Insurance (Life) | +6.3 |

THE WORST PERFORMERS

| % Change | |
|---------------------------|-------|
| All-Share Index | -8.8 |
| Newspapers, Publishing | -12.0 |
| Electric Equipment | -13.9 |
| Hire Purchase | -14.0 |
| Electricals | -14.2 |
| Contracting, Construction | -15.3 |
| Pharmaceutical Products | -16.4 |

Are things looking up Down-Under?

AUSTRALIA is a tantalising area as far as the mining men are concerned. It is undoubtedly rich in minerals as the finds of recent years have shown and, of course, its vast area has been hardly scratched in terms of intensive prospecting activity. Capital feels safer there than in many other countries, particularly in Africa, and ready markets for its minerals exist in the Pacific Basin. But there are snags. They include a labour force with a mind very much of its own and a strike record,

cent of the equity of the venture, its overseas partners Esso and Urangessellschaft will take some 60 per cent of the uranium production under the financing deal for the A\$400m (£210.5m) development costs.

The news raises hopes of similar flexibility being applied in the case of the huge Jabaluka uranium deposit in the Northern Territory which is only 85 per cent owned by Australia's Pancontinental, the remaining 35 per cent being held by America's Getty Oil.

Also confident of Australia's mineral potential but with an eye to the need for attracting more local investors there is London's Selection Trust group. In effect, the group is to create a major Australian mining finance house as a result of a rather complicated re-arrange-

ment of its Australian interests. The effect of the proposals on the group structure is set out in the accompanying "family tree" illustration. What it means is that the group's Australian mining interests are to be put into a new Australian-registered company to be called Selstrust Holdings.

These interests include the group's 60 per cent stake in the new Agnew nickel mine—which hedges to become an important earner—plus the so far undeveloped Teutonic Bore copper-zinc-silver deposit, the drillship "Regional Endeavour" and the 5 per cent stake in the huge Mount Newman iron ore operation.

Importantly, Selstrust Holdings will also hold the existing exploration interests plus 75 per cent stake in the group's

other exploration activities in Australia. It will undertake all other future mining business of the Selection Trust group in Australia.

Thus, Selstrust Holdings will become a mining finance house similar to Rio Tinto-Zinc's Canadian RioTinto of Australia, rather than just an investment company.

At present the Selection Trust group's only quoted company in Australia is Selcast Exploration which is publicly-owned to the extent of 16.2 per cent. Holders of the latter will be given an exchange on the basis of 20 Selstrust Holdings "A" shares plus A\$20 cash for every 100 Selcast Exploration.

Then, in September, there will be a Rights offer of one "Z" share in Selstrust Holdings at a price of A\$2.50 (£1.30) for every "A" share held. The issue is aimed at Australian investors and the big new Selstrust Holdings, with assets of some A\$170m, is to be initially 21.2 per cent owned by the public and 78.8 per cent by Selection Trust.

The issue, which will bring in a useful A\$30m, is relatively modest but is probably only in line with what the Australian market will bear. Australian nationalism tends to falter when it comes to hard cash requirements. But further offerings designed to increase Australian ownership of Selstrust Holdings are possible in the future.

This will not, of course, prevent UK investors buying into the action when dealings in Selstrust Holdings start later this year. What has to be borne in mind is that the difference between the "Z" shares, which are convertible at any time into "A" shares, is that the "Z" will carry a fixed dividend of 17.5 cents which is equivalent to an annual yield of 7 per cent on the offer price.

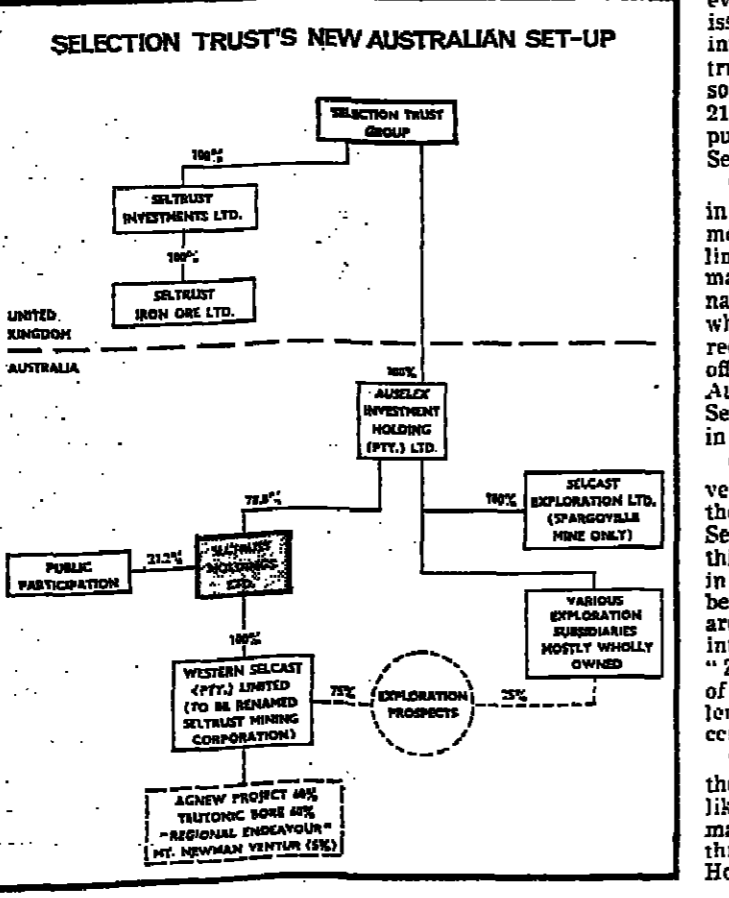
So, you may ask, where are these better near term investment opportunities? In my view, the answer is in South African gold shares. This week's collapse in the market—on Wednesday the Gold Mines index of London prices dropped a massive 26.4 to 174.5—reflected fears about the future of the investment dollar premium which is contained in the London prices.

Whether the premium will dwindle further, or soon go altogether, is a debatable point. But now that it is down to 12 per cent, a holder can afford the risk of it falling further.

After all, gold share dividend yields, both existing and potential, are now around 14 per cent and more on good class issues. Company earnings are still rising in line with the gold price which closed at a new record price yesterday.

Nor should it be overlooked that this week's Budget reduction in the top tax rate to 60 per cent from 83 per cent is going to make high yielding stocks more attractive to high tax payers. Previously they lost much of the benefit of generous yields in tax but they still had to accept the degree of investment risk which accompanies a high return.

For such investors, Golds may now appear as yield sweeteners in a mixed portfolio. Returns of 13 per cent or so are offered on West Driefontein, Buffelsfontein, Harmony, Hartebeest and Western Holdings, among others.



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12 1/2%
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It is all change for depositors

THE BUDGET brought good news for small investors, but they should look before they leap. The Chancellor's decision to push Minimum Lending Rate up to 14 per cent wreaked havoc on the gilt market, with prices seen-sawing as heavyweight investors tried to judge where interest rates were going. For small savers too there is a lot to chew over. The reduction in the basic income tax rate will make tax-free investments less attractive, for instance. Take the current issue of National Savings Certificates, which offers 8.45 per cent a year over five years. This worked out at 12.61 per cent gross for basic rate taxpayers before the budget but, on the lower tax rate, the figure is now only 12.09 per cent.

With the National Savings Bank investment account offering 12 per cent for money on one month's notice, the premium for longer-term money hardly looks attractive. The sums are similar for building society deposits. The basic 8 per cent deposit rate works out at 11.43 per cent gross, fractionally below the new basic deposit rate of 11.5 per cent at most of the big

banks and a good half point below the 12 per cent rate offered by Barclays. Unlike gilts and time deposits in banks, however, building society term shares provide large premiums to investors who can tie up their money for a time. The gross yield on four-year savings at the building societies is 13.57 per cent while a £1,000 local authority bond will return 12 1/2 per cent compared with 11 1/2 per cent for one year.

The interest-rate picture is cloudy enough at the moment for most lenders to want to wait and see. It is the right strategy. Local authorities are able to draw on the Public Works Loans Board (PWLB) before taking the plunge, while the Treasury has to give at least a month's notice of a new series of savings certificates. It would probably be reluctant to withdraw the current series now in any case, as it was introduced only in January this year.

The Building Societies Association meets on July 13 and the Treasury has since then made no changes can be expected from that quarter until then. The societies will be scrutinising the volume of deposits over the next month and, if the lower

NET SAVERS' INTEREST RATES AFTER THE BUDGET

| | nil % | 30 % | 40 % | 60 % |
|---------------------------|-------|------|------|------|
| BANKS | | | | |
| Deposit account* | 11.5 | 8.05 | 4.9 | 4.6 |
| Three-month deposit† | 13.13 | 9.19 | 7.88 | 5.25 |
| Twelve-month deposit‡ | 11.88 | 8.31 | 7.13 | 4.75 |
| BUILDING SOCIETIES | | | | |
| Deposit account | 8 | 8 | 4.9 | 4.6 |
| Two-year account | 8.5 | 8.5 | 7.39 | 4.86 |
| Three-year account | 9 | 9 | 7.71 | 5.14 |
| Four-year account | 9.5 | 9.5 | 8.14 | 5.43 |
| LOCAL AUTHORITIES | | | | |
| One-year bonds | 11.75 | 8.23 | 7.05 | 4.7 |
| Two-year bonds | 12.25 | 8.58 | 7.35 | 4.9 |
| Three-year bonds | 12.5 | 8.75 | 7.5 | 5 |
| Four-year bonds | 12.63 | 8.81 | 7.58 | 5.05 |
| Five-year bonds | 12.75 | 8.93 | 7.65 | 5.1 |
| NATIONAL SAVINGS | | | | |
| Five-year certificates§ | 8.45 | 8.45 | 8.45 | 8.45 |
| Investment account | 12 | 8.4 | 7.2 | 4.8 |

* Barclays' deposit rate currently at 12 per cent.
† Minimum £10,000.
‡ Minimum £1,000.
§ 18th issue held for full term.

gross yield seems to be luring savers away, they might be tempted to push up the deposit rate by a quarter per cent, leaving the mortgage rate unchanged.

The banks can least afford to hesitate, as shown by their speedy reaction to Tuesday's

between February 26 and May 24, for instance, gold rose from \$248 1/2 to \$264 1/2, but the UK Kruggerand price was almost unchanged on both dates at about \$28 1/2.

In terms of sterling the value of the domestic kruggerand fell over the same period from £142 to £138, reflecting mainly movement in the dollar-sterling exchange rate. Gold remains around the \$280 level, and before the Budget the domestic price for the kruggerand touched \$300 at times, but has since declined to \$288 or £137 1/2, to give a premium over the gold price of just over 3 per cent.

This situation is likely to continue, since there is now no reason why the domestic premium should be any higher

Krugers lose their glister

ONE OF THE more surprising measures in Sir Geoffrey Howe's first Budget was the abolition of the law forbidding the import of gold coins into the UK.

Gold coin imports were banned by the previous Chancellor, Mr. Denis Healey, in 1975, following a flood of Kruggerands (South African coins containing exactly an ounce of gold) into the country in the early 1970s. Since the Budget the kruggerand's premium over its gold content has fallen to

Agony and ecstasy for sun-seekers

THE Budget has given the UK resident the ability to move money abroad which he has not enjoyed since before the Second War. There is virtually no restriction left on the purchase of holiday homes abroad. The travel allowances appear almost completely elastic so long as the spending is relevant to travel. The emigration allowance must now act as a constraint only on those with more than £4m to their name. It is only in the buying of foreign securities that the disincentive, for the small investor, has been retained.

Property first. You can now buy any number of houses abroad so long as they are for residential use. You should no longer buy them through the investment currency premium, because they no longer can be sold for premium currency.

Your bank is now empowered to allow you to change £100,000 per family per year into foreign currency at the market rate for the purchase or improvement of residential property. If a castle

Pensioners get the cream

SMALL INVESTORS, particularly retired ones, are among the biggest beneficiaries of the Budget.

They gain not only from the general cut in income-tax but from measures aimed particularly at them. The biggest boon is the increase in the threshold for investment income surcharge. Under the new rules the surcharge will be paid only on investment income above £5,000 a year and at a uniform rate of 15 per cent. This replaces a complicated two-rate system in which the tax started at £1,700 a year for most savers and at £2,500 a year for people over 65. Under these rules an investment income of £5,000 a year bore a surcharge last year

What the experts think

Revenue's reading of the law is hotly disputed by independent legal experts. But employers have had no option but to discontinue their schemes. This was because the Revenue's statement was taken as a clear warning that anyone challenging its view would have to fight his case right to the House of Lords.

Not only would that mean that the issue would remain unresolved so long that the result would be largely irrelevant for the family concerned, but the employee would have to pay huge legal costs.

Greenly comments: "This is government by diktat. What is involved here is a disputed point of law and the right way to sort out the problem is to clarify the law. We are disappointed that the Chancellor did not do so."

Societies at sixes and sevens

THE SUDDEN JUMP in Minimum Lending Rate this week has fanned fears of dearer home loans—but building society chiefs appear split on how immediate the threat is.

Several general managers have felt for some time that society rates are too low to attract enough funds to meet demand from home buyers and would privately raise their rates. Others, like Clive Thornton, chief general manager of Abbey National, see a further rise in the cost of home loans as a very last resort. "I would rather lengthen mortgage queues than put up the rate," he says.

He is supported by Donald Kirkham, general manager of Woolwich Equitable, who says: "I think there is a good chance that we can ride out the effect of the MLR rise."

In contrast, Gerald Aspell, chairman of the Leicester, told a meeting of businessmen in Hartlepool on Thursday that societies would have to raise their rates by the end of the summer if MLR remains at its new level for any length of time.

Leonard Williams, the new chairman of the Building Societies Association and chief general manager of Nationwide, also fears a rise may be unavoidable.

He says: "If the rise in MLR was part of a medium term strategy to restrain money supply and the current rate is maintained for any time then societies would have to put up their rates."

The association's next council meeting is not until July 13. But

When it pays to split

FOLLOWING THE latest income-tax cuts, the minimum level of joint income at which a couple may be better off choosing separate taxation is £14,930. This figure applies where the couple's total income is not more than four times the lower-paid partner's earnings and where each is entitled to just the basic personal allowances. Where a couple has allowances for mortgage interest and other extras, the threshold is that much higher.

The corresponding figure last year was £12,449. For couples with a joint income of at least £16,000, separate taxation may make sense even where the lower-paid partner's earnings are as little as 15 per cent of the total. For couples with a joint income of at least £25,000 the minimum proportion for the lower-paid partner falls to 10 per cent.

Eamonn Fingleton

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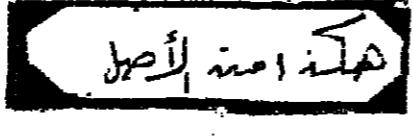
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YOUR SAVINGS AND INVESTMENTS

The City's Budget change of heart is the subject of the latest instalment in Richard Lambert's correspondence with one bewildered investor

Dear Mother-in-law,

You mustn't be rude about my friends. It is true that the City was tickled pink—sorry, blue—at the idea of a Conservative Government. In fact, share prices hit an all-time high the day after the election. It is also true that in his Budget this week, Sir Geoffrey Howe did more or less exactly what the Tories had been promising.

And the facts of life really are rather harsh—so much so that Sir Geoffrey had a terrible job to square election promises with financial commitments. Some budget arithmetic will help to show the tight framework within which he had to work: the public sector borrowing requirement plus bank lending to the private sector equals the sale of Government debt plus the growth in the money supply and in finance from overseas.

In addition, bank lending has been shooting ahead recently. And the new Government was firmly committed to limiting the rate of growth in the money supply. So to make the sums work out, Sir Geoffrey either had to reckon on selling a lot more Government stock, or he had to slam down on bank lending.

But just because his speech has been followed by loud groans and tumbling share prices, it does not follow that everyone in the City is mad. Or not completely so, at any rate.

Don't worry about the detail. Just consider the pressure that has been building up on the different bits of the equation. For one reason or another, the public sector's future borrowing needs have been rising fast in the past few months, and the Tories' promise to cut income tax has limited the extent to which Sir Geoffrey has been able to rein the figure back.

The news came as a bolt from the blue—and it was combined with another nasty. The Government now expects the year on year rate of inflation to rise to 17.5 per cent in the autumn. And although that figure is distorted by the one-for-all impact of the increase in indirect taxes like VAT, the

The price of truth

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INSURANCE is the means whereby we transfer the potential financial consequences of some or many of the risks we run from our own small pockets to insurers' more extensive funds. The risks I run of damage, injury, liability and so on, though broadly similar to those presented by my friends, relatives and neighbours living in similar circumstances are nevertheless personal and peculiar to myself and so at least marginally different from the risks of similar people in similar circumstances, and perhaps considerably different. In risk assessment insurers are concerned to establish an objective average normal risk (or more probably a number of averages) and then by proper evaluation of the potential of individual poses to see how far he deviates from the average. This deviation is then reflected in the premium charged and the cover provided.

Love, Richard

Modern proposal forms are designed to elicit information on both aspects of the risk—to get the broad picture, so as to slot the proposer into the correct rating category, and to bring out the individual variations. But it is impossible for insurers to devise forms containing completely exhaustive lists of questions, and so each one of us is legally obliged to give additional information outside of the range of answers demanded by the printed questions if this information is material to insurers' assessment of the risk. Despite the present debate on modification of the duty of disclosure, in the present state of the law the proposer's duty remains strict, though in the case of personal insurances it is ameliorated by market practice which requires information to the best of the proposer's knowledge and belief.

An interesting omission

THE MOST important message for many savers in the Budget speech was not in what Sir Geoffrey Howe said—but in what he did not say.

He made no move to tighten up the tax clawback procedures on early surrenders of endowment policies. The omission is particularly significant for savers with building society linked insurance plans. These money-spinning investments can

be cashed in with no clawback after just four years under present rules. And, thanks mainly to the usual life insurance premium subsidy, the net return they offer over four years is a phenomenal 13 per cent or so.

There had been fears in the life insurance industry that with the growing popularity of these schemes, the Chancellor would be persuaded by the

Inland Revenue to increase the minimum period for clawback on surrenders. Two other aspects of the Budget also boosted these schemes: the tax relief on insurance

premiums was held at 17.5 per cent whereas under the old tax relief system it would have fallen to 15 per cent (half the new basic rate). Lower marginal rates and higher allowances mean that higher rate tax on cash-ins after four years will now have a much lower tax bill.

SAVING ERIC SHORT

Lower marginal rates and higher allowances mean that higher rate tax on cash-ins after four years will now have a much lower tax bill.

The surprise is that until now so few savers have cottoned on to the advantages of these plans. The life companies leave the marketing to the building societies. Little or no commission is paid, which means there is no incentive for brokers to sell. But this could change and more aggressive selling could be seen in the near future.

The pattern has probably been set by Bristol and West Building Society and Equitable Life. Fortuitously anticipating the Budget, they have improved their schemes to make it more attractive to older investors, by cutting to the absolute minimum the amount of death cover.

Other life companies and building societies are likely to follow this lead. And this could be building up trouble in future for the whole life insurance industry. Admittedly these building society schemes do not involve the sort of blatant gimmickry of some tax avoidance schemes. But it is abusing the purpose of tax relief on life insurance in that it should apply to 10-year contracts.

But Equitable's general manager, Barry Sherlock, takes a different view. He regards the company's link with Bristol and West in the marketing of these schemes as complementing his range of traditional with-profits plans. They enable investors to meet commitments less than ten years ahead and provide the guarantee of a surrender basis not available under with-profit policies. The plans perform a useful role in, for instance, meeting school fees.

Some life companies fear that the reprieve does not mean that the Chancellor has given his blessing to the idea. So the Revenue may still move to extend clawback rules.

TARGET COVENANT SCHEME

Grandparents! For every £200 you give, the taxman adds another £85.71!

A Practical Scheme

If you really want to help your grandchildren in a practical way here's a scheme which will make the most of your gift. All you do is invest on their behalf in a Target Unit Trust and for every £200 you give, the grandchild will receive another £85.71 from the taxman!

Special Account

Target units will be registered in the name of either parent, in a special account designated by the child's initials, so that for tax and all other purposes the units are his, or hers. They can be cashed in at any time in the normal way, but the units belong to the child, so the proceeds must be used for his or her benefit.

There is a range of successful Target Unit Trusts to which your gift can be linked offering a choice of income, capital growth or a balance of both.

Simple to Operate

The scheme is very straightforward. Monthly investments (minimum £15) are made by Bankers Order. So once you have set it in motion there is little more to do. There is no maximum but if the child's income rises above £1,105 p.a. he starts to pay tax like everyone else. There is no limit to the number of grandchildren you can help or, incidentally, any other beneficiaries, e.g. nephews and nieces (not your own children).

For full details complete and return the coupon to Target Trust Managers Ltd., Freeport, Aylesbury, Bucks. HP19 3YA, or telephone 01-600 7333.

NO STAMP REQUIRED! FT1616

Please send me details of your Covenant Scheme.

Name: _____ Address: _____

Not applicable to Eire. Total funds under management in the Target Group exceed £125,000,000.



BRITANNIA TRUST MANAGEMENT

"Invest in Britain's oil"

Britannia Universal Energy Trust is one of the few Unit Trusts available that offers investors a concentrated stake in the oil and oil related industries. With petrol at over £1 a gallon, everyone is aware that oil product prices have risen sharply this year. Oil companies can expect to see a significant increase in both their revenue and profits in the next future, and by investing in the Universal Energy Trust, you stand to benefit from rising oil prices. The strength of oil shares could, on the back of rising profits, be expected to continue into 1980, even if "windfall" profits attract higher taxes.

North Sea oil is now providing an ever increasing percentage of Britain's oil requirements, and the Britannia Universal Energy Trust has over 78% of its investments in companies which have an interest in the North Sea oilfields.

You should regard your investment as long term. The price of units and the income from them can go down as well as up.

For your guidance, the offer price of units on Friday, 18th June 1979, was 44.6p per unit. The estimated annual gross yield was 22.05%.

BRITANNIA UNIVERSAL ENERGY TRUST is one of 7 Britannia Unit Trusts in the top 25 best performing UK authorised Unit Trusts in 1979*. This is a record unequalled by any other Unit Trust Management Company.

*Source: Financial Savings magazine as at 1st June, 1979.

BRITANNIA UNIVERSAL ENERGY TRUST

For Britannia Trust Management Ltd., 3 London Wall Buildings, London Wall, London EC2M 5QL

I/We wish to invest £_____ in Britannia Universal Energy Trust units at a discount of 1% off the published offer price ruling on the day this application is received by the Managers up to 22nd June, 1979. The minimum initial investment is units to the value of £500 including the 1% discount. Additional unit purchases must be for not less than £25.

I/We enclose a remittance payable to Britannia Trust Management Ltd. Please tick box(es) as applicable if you:

- Wish maximum capital growth by automatic reinvestment of net income. Wish to receive details of the wide range of Britannia Unit Trusts.
- Already hold units in this Trust. Already own shares and want to know how they can be exchanged for units.

I/We declare that I am/we are not resident outside the Scheduled Territories (as defined in the Bank of England's Notice (FC) 1) and that I am/we are not acquiring the units as nominees (or any persons) resident outside these Territories. If you are unable to make this declaration, you should apply through your bank, stockbroker or solicitor in the UK.

Signature(s) _____ Date _____

Of these six joint applicants, all must sign and attach names and addresses separately. FT42 This offer is not available to residents of The Republic of Ireland.

Please send your remittance with this coupon. Applications will not be acknowledged, but certificates will be sent within 28 days of receipt of your completed application and remittance.

PLEASE WRITE IN BLOCK LETTERS

TITLE FULL FORENAME

SURNAME

HOUSE NO. AND STREET

TOWN COUNTY/POSTAL CODE

DISCOUNT OFFER up to 22nd June 1979 1%

NEW CHIEFTAIN PREFERENCE & GILTS TRUST

13 1/4% pa

FIXED PRICE OFFER UNTIL 22ND JUNE 1979

If you are single minded about getting an exceptionally high income from your investments, then you should give Chieftain's new Preference & Gilts Trust your serious consideration.

Its overriding aim is, quite simply, to bring you the highest income yield available from stockmarket investments. This year, next year and into the future.

Currently the estimated gross annual yield is 13 1/4%—an outstandingly attractive figure even in the world of high income investment.

It must be remembered that no unit trust should ever be thought of as a short-term speculative investment. The price of units, and the income derived from them, can always go down as well as up. But as the next section shows, Preference & Gilts Trust is likely to enjoy rather greater stability than other investments of its kind.

WHY THIS TRUST OFFERS STABILITY

As its name implies, the Trust invests exclusively in preference shares and gilt-edged securities—both of which pay a clearly stated level of income.

Preference shares are, of course, equities with a first right to fixed dividends from the income of a company; gilt-edged securities are essentially loans to the Government, and carry the Government's guarantee.

Naturally, a trust invested in fixed income stocks is not subject to the kind of fluctuations that can be experienced by trusts investing in ordinary shares, although the price of units will tend to rise and fall in line with changes in interest rates.

Moreover, in order to further minimise risk, the Trust casts its net wide and invests in a large spread of stocks.

At present the largest share of the portfolio is in the preference share sector; this is because the tax system at present limits effective unit trust investment for income in gilts to relatively small proportions.

However, the unit trust industry is pressing for this to be changed.

APPLICATION FORM

Fill in the coupon and send it now to Chieftain Trust Managers Limited, Chieftain House, 11 New St, London EC2M 4TP.

I/We would like to buy Chieftain Preference & Gilts Units to the value of £_____ at 25p each. (Minimum initial taking £250.)

I/We enclose a remittance, payable to Chieftain Trust Managers Limited.

- Tick box if you want maximum growth by automatic reinvestment of net income.
- if you want to know how to buy Chieftain Preference & Gilts Units on a regular monthly basis.
- if you would like details of our Share Exchange Plan.

I/We declare that I am/we are over 18 and not resident outside the U.K. or Scheduled Territories and that I am/we are not acquiring the units as nominees (or any persons) resident outside the U.K. or Scheduled Territories. (If you are unable to sign this declaration it should be deleted and your application lodged through an authorised depository.)

SURNAME (MR/MRS/MS) _____ FIRST NAMES (IN FULL) _____ ADDRESS _____

Signature(s) _____ FT1616

7

HORROR STORY for Director/Shareholders

| | |
|---|----------|
| Pre-tax profit | £100,000 |
| Less Corporation Tax | 52,000 |
| Remainder available for distribution to you | 48,000 |
| Less Personal Tax @ 75% | 30,857 |
| Net amount available for you | £17,143 |

CONCLUSION
Of every £100,000 of profit earned, only £17,143—less than 17.1%—is available for you, the owners of the business, to spend.

IT DOESN'T HAVE TO BE THAT WAY

If you'd like a dramatic change, why not contact us? Alternatively, if you return this advertisement clipped to your company notepaper, we'll contact you. And if your financial year end is imminent, please hurry.

London: 01-235 8000 Telex: 919063
Manchester: 061-833 0671 Birmingham: 021-454 4348

Bevington Lowndes

Bevington Lowndes Limited
5 West Halkin Street, London SW1

If the position does alter then Chieftain will not hesitate to seize any new opportunity to provide the highest income possible for its investors.

YOUR REASSURANCE

Chieftain Trust Managers Ltd. was established in September 1976 and has built up an outstanding track record, particularly in the management of income funds. Its seven trusts, dealing in overseas as well as UK markets, have already attracted funds worth £12 million. This exceptional rate of growth has owed much to the considerable support Chieftain has received from stockbrokers and investment advisers.

The Trustee of Chieftain Preference & Gilts Trust is a Lloyds Bank Trust Company.

TAX ADVANTAGES

You can sell your units on any normal working day at the prevailing bid price. You will normally receive a cheque within seven working days of receipt of your renounced certificate. Unit trusts pay tax on capital gains at the privileged rate of only 10%.

When you sell units you will receive a tax credit of 10% against Capital Gains Tax. This means that on unit trusts you should not have tax to pay on profits up to £3,000 on sales in any one year, and your maximum liability is limited to 20% of your gain.

SHARE EXCHANGE SCHEME

If you wish to realise a part of your portfolio and invest in Chieftain Preference & Gilts Trust, the Managers can arrange to sell your present shares for you, and will absorb all the usual expenses of the transaction. This can give you a worthwhile saving. The minimum purchase through the Share Exchange Plan is £300. Tick the box in the coupon for details.

GENERAL INFORMATION

Until 22nd June units will be available at a fixed price of 25p each to give an estimated current gross yield of 13 1/4% pa. Your application will not be acknowledged but you will receive a certificate by 3rd August 1979. After 22nd June units are available at the daily published price.

Units were first available on 9th April 1979 at 25p each. There is an initial management charge of 5% included in the price of the units. There is also an annual charge of 0.5% (plus VAT) which has been allowed for in the quoted yield. Income is paid net of income tax, but this can be reclaimed by non-taxpayers.

Distributions and a report on the fund are made half-yearly on 28th February and 31st August.

This offer is not applicable to Eire. The Managers of the Trust are Chieftain Trust Managers Ltd, Chieftain House, 11 New St, London EC2M 4TP. Telephone 01-233 2632.

CHIEFTAIN TRUST MANAGERS LIMITED

The change is as good as a rest.



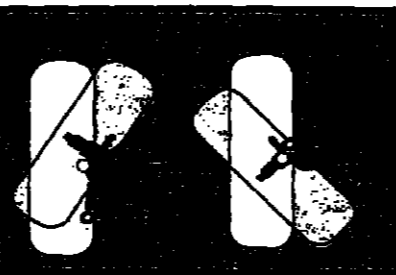
Should one drive a BMW 7 Series it will be quickly appreciated that large and luxurious cars can also be a great pleasure to drive. Luxury has not been allowed to go so far as to isolate the driver from the road. In the 7 Series refinement and performance have been delicately matched to offer the driver a rare delight. It is not for those who wish to be cocooned in soporific splendour. It is for those who demand space and refinement with character and purpose.

The discreet design of the BMW 7 Series reflects the solid quality found throughout. It is that certain kind of quality that one takes pride in. Inside there's a sense of spaciousness, and the seats and ventilation create an environment of relaxed alertness.

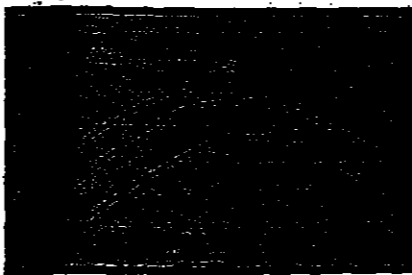
The 7 Series cars offer three different engine capacities - 2.8, 3.0 and 3.3 litres, the latter with fuel injection. The 'straight six' configuration has often been said to be the most refined and smooth running of engines. In the big BMWs the sophisticated design produces excellent power to litre ratios as well. This, of course, is vital for automatic transmission. However it also makes manual driving a very refreshing experience. The

four speed gearbox is a pleasure to use and encourages a very positive and enjoyable style of driving. Whilst acceleration through the gears is extremely quick, each gear, due to the wide torque band of the engine, gives a powerful and effortless 'long-leggedness'.

The overall concept of refined driving appeal in the 7 Series is resolved in the chassis and suspension. There is no reason why a large car should not be able to have agile handling as well as



Double pivot front suspension with the small positive roll radius gives improved straight line stability at high speed.



Torque graph shows that a wide, flat band of power is available to enhance effortless driving.

an ease of comfort. The chassis offers handling incomparable in this size of car. To this is also added BMW's speed-related power steering - as the engine speed increases power assistance diminishes so one has maximum assistance for parking, and decreasing assistance as speed increases, for greater road 'feel'.

Drive a BMW 7 Series and one realizes that it offers something unique and satisfying - luxury with complete performance. Indeed in every sense the change to a BMW 7 Series is, especially for those who have become a little weary of driving, as good as a rest.

Insurance Our new exclusive 'Sureplan' Insurance Scheme guarantees, under normal circumstances, to quote, offer competitive rates and fast approval of accident repair estimates. Your local BMW Centre will be happy to introduce you to the scheme.

Leasing Your local BMW Centre can also provide comprehensive advice and assistance on leasing arrangements for your BMW.

Prices:
728-£10,499. 728A-£10,998. 730-£12,399. 730A-£12,898.
733i-£13,599. 733iA-£14,098.
Prices correct at time of going to press.

مركز امين الاطهر



For the joy of motoring.

BMW Concessionaires (GB) Ltd., 991 Great West Road, Brentford, Middlesex. 01-568 9155. Export, NATO & Diplomatic: 56 Park Lane, London W1. 01-629 9277.

Handwritten Arabic text at the top center of the page.

TRAVEL

Winding down in pretty fishy Ireland

BY PAUL MARTIN

SURELY NO organisation works harder than the Irish Tourist Board, and yet the fates seem to be against them.

All visitors to Ireland, whether taking their own cars or hiring a self-drive, are now being issued with vouchers promising a supply of petrol at specially nominated garages throughout the country.

Although I had, on previous visits, passed through Kinsale, only 20 miles from Cork ferry-port, several times, I had never stayed there, an omission I was delighted to rectify.

Kinsale, set at the foot of gentle, green Irish hills, is in a favoured setting and well protected from the open sea.

My own past fishing had been limited to the delightful but indolent pursuit of going out for mackerel in high summer on the try-anything-once theory.

The skipper, Arthur, had spent the previous summer crewing a yacht down to the Azores and, in spite of his fairly tender years, handled the craft with expertise when it blew up to Force 5 on our return from the fishing grounds off the Old Head of Kinsale.

My Dutch colleagues with, surprisingly, very limited English between them, carried on board a wide assortment of the most up-to-date tackle.

Strangely enough, I. Muggins of the party, abandoned the use of mackerel as bait and, adding an additional weight and using only feathers, managed to land a 7 1/2 lb pollack to my own amazement and to the surprise of the experts.

While Kinsale's activity holidays mainly revolve around angling, long the province of



Action at Westport sea angling festival

Peggy Green, the produce of the sea features prominently in the excellent restaurants dotted around the town and harbour.

They have also set up their own Tourist Committee and, in addition to staging their third Gourmet Festival between October 11-14, they also produce a Good Food Guide which provides valuable information on the specialties served and the time of last orders.

The Blue Haven is a real find. It is simple and unpretentious with the most attractive bar in town where Brian Cronin and his wife, Anne, serve up tasty and imaginative bar snacks at lunchtime with a full restaurant

service in the evenings. This is Ireland and the bar closes only in the early hours when the last satisfied customers have left.

Three establishments combine deep-sea angling with quite a range of accommodation. I am quoting high season prices (July 1-September 30) and the all-in costs, covering three days' deep-sea fishing, are based on a seven-night stay.

On a non-fishing day I drove to Courtmasherry, a tiny little hamlet of colour-washed cottages and the delightful Courtmasherry Hotel where fishing is again the main activity.

It was by coincidence that, having travelled out with B & I on the familiar Swansea-Cork route on the pleasantly spacious and newly introduced MV Connacht, I returned on the first sailing into their new terminal at Pembroke Dock.

However, on a practical note, do allow plenty of time to reach Pembroke Dock as, although there are plans for major improvements, the road from Swansea is not particularly fast.

Dinner is served as soon as you board and early risers can enjoy an excellent breakfast. Duty-free now applies on the Irish Sea. B & I will also provide full details of their special family offers and discount excursion rate.

If you want, above all, a leisurely, puttery, winding-down

holiday, adjusting to the Irish tempo, Kinsale is a very special place but do watch the wasteline!

Addresses: B+I Line, 155 Regent Street, London W1R 7PD, Blue Haven Hotel, Kinsale, Co. Cork, Ireland. Courtmasherry Hotel, Courtmasherry, W. Cork, Ireland. Kinsale Angling Centre, Lower O'Connell Street, Kinsale, Ireland. Kinsale Tourism Promotions, Kinsale, Ireland. High Tourist Board, 150-151 New Bond Street, London W1Y 0AQ.

WORLD VALUE OF THE POUND

Table showing exchange rates for various countries: Austria 29.60, Belgium 65.25, France 8.10, Italy 1.750, Greece 75.50, Spain 135.75, Switzerland 3.27, U.S. 2.09, Source: Thomas Cook.

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Europe's top sports camp for boys and girls 8-17 years. Riding, skiing, swimming, tennis, ice skating, summer skiing, alpinism, excursions, language courses, etc.

Rudy and Erica Studer, Directors, CH-3962 Montana, Switzerland

TRAVEL

Advertisement for Carlton Elite Hotel in Zurich, featuring a map and text: 'With charm in the heart of Zurich... Each of our rooms... has its own personal touch.'

Advertisement for Swiss City Tours: 'Getaway with CPT Swiss City Tours... For a free copy of this charming and colorful essay on Brussels and Bruges...

HOTELS

Advertisement for Beach Plaza Hotel in Monte Carlo: 'Who says you have no business in Monte Carlo? There's a new landmark on the world business scene...

HOLIDAY ACCOMMODATION

Advertisement for Highland Holiday Breaks: 'Traditional Scottish hospitality in the first-class friendly family-owned holiday group...'

SAVE ££'s ON YOUR NEXT VISIT TO LONDON

Form for booking a room at Alexia Hotel, including fields for name, address, number of persons, length of stay, and month of arrival.

LEGAL NOTICES

No. 001486 of 1979 In the HIGH COURT OF JUSTICE Chancery Division (Mr. Registrar being in the Matter of FRASER ANSBACHER LIMITED and in the Matter of The Companies Act 1965)

NOTICE IS HEREBY GIVEN that on the 12th day of June 1979 in the above matter the Court has directed a Meeting to be convened of the Members of the above-named Company (hereinafter called "the Company") for the purpose of considering and if thought fit approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and its Members and that such Meeting will be held at the offices of the Company at 12, Abchurch Lane, London EC4N 3JH and at the office of the undersigned Solicitors at which place and time all such Members are requested to attend.

ANY person entitled to attend the said Meeting or to vote thereat is requested to forward to the undersigned a copy of the Scheme of Arrangement proposed to be made between the Company and its Members and a copy of the Statement of Affairs of the Company as required by Section 207 of the Companies Act 1965 and the Report of the Liquidator of the Company as required by Section 207 of the Companies Act 1965 and a copy of the Report of the Liquidator of the Company as required by Section 207 of the Companies Act 1965 and a copy of the Report of the Liquidator of the Company as required by Section 207 of the Companies Act 1965.

THE said Members may vote in person at the said Meeting or they may appoint another person, whether a Member of the Company or not, as their proxy to attend and vote at their stead.

It is requested that those Members who are entitled to attend the said Meeting and to vote thereat should forward to the undersigned a copy of the Scheme of Arrangement proposed to be made between the Company and its Members and a copy of the Statement of Affairs of the Company as required by Section 207 of the Companies Act 1965 and the Report of the Liquidator of the Company as required by Section 207 of the Companies Act 1965 and a copy of the Report of the Liquidator of the Company as required by Section 207 of the Companies Act 1965.

By the said Order of the Court the undersigned Solicitors are requested to forward to the undersigned a copy of the Scheme of Arrangement proposed to be made between the Company and its Members and a copy of the Statement of Affairs of the Company as required by Section 207 of the Companies Act 1965 and the Report of the Liquidator of the Company as required by Section 207 of the Companies Act 1965 and a copy of the Report of the Liquidator of the Company as required by Section 207 of the Companies Act 1965.

Done this 15th day of June 1979. LINSLAY & PAINE (INC), Solicitors for the Company, 59-67 Gresham Street, London EC2V 7JA. Solicitors for the Company.

MOTOR CARS

Advertisement for Bristol Cars: 'NEW latest model 412/52. Full four-seater saloon which quickly adjusts to a convertible in summer. USED We are almost unique as a manufacturer in selling used cars of our make as well as new ones.'

Advertisement for Granada 2.8 Ghia Auto: '1978 (Feb.). Metallic beige, matching vinyl roof and champagne colour trim. Auto, PAS, radio, glass, HRV, FM radio/stereo, gear, etc. All Ghia refinements. 12,000 miles only. Very superior condition. Service history. Excellent condition throughout. £5,950

Advertisement for American Motor Home: 'Our stylish 25-foot SPORTSCOACH has been home, office and luxury car for our European Sales Director. We did our homework and bought the best. After 18 months of highly satisfactory use we are selling and are upgrading to yet another Sportscouch. Rarely seen America's best motorhome has superior construction and distinctive appearance that provides a quality far above motorhomes normally available here. All who see our vehicle confirm this. Features include cruise control, air conditioning, microwave cooker, deep freezer, large independent generator, plus all normal RECREATIONAL VEHICLE features for self-contained living. We are not motor dealers as you can save by buying at the very best price of £13,500. Call 01-591 2985 anytime for further details of this unique vehicle.'

Advertisement for Bentley Corniche Convertible: 'Chairman's car in immaculate condition throughout, having been carefully looked after by Chauffeur. Finished in Oxford Blue with beige hood/interior. First registered November 1972. Full service record. £20,000. Tel. (weekdays) 01-499 0386'

Advertisement for New Shadow II: 'Delivery mileage! Peacock Blue with Magnolia interior and all extras. Reg. May, 1979: No part-exchanges. £42,000. Tel: 01-423 4657'

Advertisement for GJM 1: 'on Wolseley Six Automatic, 1974. Under 15,000 miles. Karbon, Novita, 6-400 Miles. Condition as new. £3,650. 1979 Jaguar 5.3 Auto. Saloon with leather. Power steering. Immediately available. Licensed and M.O.T. Offers invited. Ring: 0529 20028. Ask for Miss Pam Shaw'

Advertisement for Daimler Vanden Plas: '1977 (May) Metallic Beige with Natural leather and Black vinyl roof. Automatic. PAS. 5.3 Fuel injection model. All Vanden Plas refinements, including air conditioning (Autocype), tinted glass, electric windows, centre locking, chrome wheels, 4 speaker radio/stereo, etc. 18,600 recorded miles only. Work maintained. Virtually as new condition saving over £13,000 on current price list. A superb car and unrepeatable value at £8,950. Terms and leasing facilities can be arranged for a prospective purchaser. Please contact: Mr. Buxton Tel. (0283) 219183/219208'

Advertisement for Brighton Car Concessionaires: 'NEW FERRARI FOR EARLY DELIVERY. 1977 (May) Metallic Beige with Natural leather and Black vinyl roof. Automatic. PAS. 5.3 Fuel injection model. All Vanden Plas refinements, including air conditioning (Autocype), tinted glass, electric windows, centre locking, chrome wheels, 4 speaker radio/stereo, etc. 18,600 recorded miles only. Work maintained. Virtually as new condition saving over £13,000 on current price list. A superb car and unrepeatable value at £8,950. Terms and leasing facilities can be arranged for a prospective purchaser. Please contact: Mr. Buxton Tel. (0283) 219183/219208'

Advertisement for Audio Lease: 'The most comprehensive rates available. ANY VEHICLE SUPPLIED. Phone immediately. Tel 021 3537447'

Advertisement for Rolls Royce 1979 Silver Shadow II: 'Four-door saloon, Nürting Brown. Upholstered in Magnolia leather. Complete with all tools and accessories in specification, also with top roll and instrument board trimmed in hide. Headrest front seats, whitewall tyres, gold plated mascot and Silver Shadow II in beige. Electrically operated sunroof. Mount as delivered. Best offer will be accepted. Telephone: 01-723 3568/01-402 7083'

Advertisement for Mercedes 350 SE S Reg: 'Automatic, electric sun roof, air conditioning, 11,000 miles, Milan Brown. A chauffeur'd car in exceptional condition. £16,750'

Advertisement for TVR Taimar Sports Coupe S Reg: '3-litre, sun roof, white with wide brown name side stripe, 7,000 miles. In excellent condition. £5,750. Telephone Luton (0582) 418711'

Advertisement for Espada Enterprises: 'Luxury Car Brokers. We are a business service for private buyers and sellers of high performance and quality cars. On behalf of clients we offer: Rolls-Royce Corniche, 1972 convertible. Honey Gold with Magnolia interior and hood. \$5,000 miles. £25,000. Rolls-Royce Shadow, 1972. Dark Silver with Blue leather interior. 60,000 documented miles. £17,500. V12 E-Type Convertible with lacy and redtop. D.L. 1973 Green sand with Dark Olive hide, engine updated to 4.0 bhp. 0-60 4.5 seconds. This is faultless. £11,750. Porsche Carrera Targa, 1977. Metallic Blue, beige interior. 17,500 documented miles, extras. £15,000. NEW CARS: Aston Martin Valianta, Old English Pewter. Fawn interior and hood. Many extras. £17,950. Mercedes 350 SL. Monarch Blue with Parchment top. Alloy wheels, tires, etc. Delivery mileage. £19,500. Ring 01-458 8669. ANN DALE, North End Road, London NW11.'

Advertisement for Beach Plaza Hotel: 'There's a new landmark on the world business scene—the luxuriously renovated Beach Plaza Hotel, which now dominates the Monte Carlo waterfront. Near the heart of Monte Carlo's commercial centre, the Beach Plaza meets the highest standards of cosmopolitan elegance, as you would expect from a Trusthouse Forte Hotel. A private beach, three spacious swimming pools, a world class restaurant serving classic cuisine and over 300 sumptuous appointed bedrooms. From all points of view you couldn't find a more ideal location for mixing business with leisure.'

Advertisement for Alexia Hotel: 'SAVE ££'s ON YOUR NEXT VISIT TO LONDON. Please send me free of charge and without obligation illustrated brochure, tariff and details of price competition. £50 must be won. Cut out coupon—Please use black letters: NAME IN FULL, ADDRESS, NO. OF PERSONS, LENGTH OF STAY, GIVE MONTH OF ARRIVAL. ALEXIA HOTEL, 71-75 Lusham Gardens, London W8 6JL. Tel: 01-373 7272'

LEISURE

Small but beautiful

THIS IS an age of miniaturisation from the micro chip to the micro rose and mini pinetum. All seem destined to have an effect on our lives though precisely what that may be is not yet clear.

In its beautiful and extensive trial and demonstration garden at St. Albans the Royal Horticultural Society has thought it worthwhile to devote a considerable section of one of its model gardens to miniature varieties and very attractive they are, especially Nozomi the miniature climber with myriads of small pink flowers which here cascades over a wall as it does down a bank beside the formal water garden in the Royal Horticultural Society's garden at Wisley in Surrey.

But are these the ways in which ordinary people are actually using miniature roses and dwarf conifers in gardens? I think not and Adrian Bloom, a leader in the popularisation of small evergreen shrubs, including conifers and heathers, seems to agree with me. It was he who made the garden of small evergreens at Chelsea, virtually a replica of an actual garden that he has designed and planted in a new estate at Diss, on the edge of the Norfolk border, close to his own home and nursery garden at Bressingham.

Adrian Bloom sees dwarf conifers being used to create mini pinetums — beds or even whole gardens devoted either exclusively to dwarf conifers or to these in combination with other shrubs of equally restricted size. He does not think that this is the way in which most gardeners are using them at present and that is why he made the Diss garden and the Chelsea exhibit and has written a book, shortly to be published, on the subject of the mini pinetum. He argues convincingly that these small shrubs are so immensely varied in shape, colour and texture, so beautiful in winter as well as in summer since most are evergreen, and so little trouble since they suffer from few pests or diseases and require no pruning and little maintenance except to be kept clear of weeds, that they are the ideal solution to the householders' gardening problems.

GARDENING

ARTHUR HELLER

blems. What he does not mention so frequently is that it takes a lot of plants to form even a small mini pinetum and that, with prices averaging around £1.50 apiece, that can mean quite a big outlay.

Much the same applies to miniature roses which cost about the same as ordinary roses but cover far less ground so that at least twice the number of plants are required for a bed of comparable size. Yet there is no doubt that they are most effective when massed to form a carpet or continuous ribbon of growth, maybe a bed entirely of their own or edging to a bed filled with roses of normal size. I think that before this becomes a general practice some method will have to be found of propagating miniatures more cheaply. At present most appear to be grafted, a slow, skilled and expensive process usually done in a greenhouse. The ideal might be to have strains of miniature roses that could be raised reasonably true to type from seed like the old Lawrenceana or fairy rose from which the modern miniatures have been developed. But that seems a long way off and a more practical solution might be some form of meristem propagation, which is another modern development in miniaturisation.

How most buyers actually use dwarf conifers and miniature roses is an interesting question to which no one seems able to give any very positive answer. Some experts believe that a great many of the miniature roses, which are usually purchased as pot plants, are grown on in the same way and are either stood out in the garden on terraces and in patios or are grown on sunny window ledges. Some, no doubt, are used for window boxes and other plant containers and some, I know, are also planted in rock gardens where they can look charming though it is against conventional ideas that rock gardens are for rock plants. Probably many are purchased on impulse without any clear idea of what will be done with them and get dotted about in the garden wherever there is space to be filled.

Probably a similar fate awaits a great many of the dwarf conifers which are now displayed so enticingly in garden centres and also in many of the small selling areas which are becoming such a profitable

feature of many gardens that open to the public. Certainly the total sales are increasing astronomically. In one wholesale nursery in South Devon where annual production is now running at about 400,000, I was told recently that there was no need to advertise or even run transport since buyers were ready to send their own lorries to collect from as far afield as the Midlands where dwarf conifers appear to be especially popular.

The variety available is quite bewildering. From a garden standpoint there are really two major groups, the genuine miniatures many of which have originated as "witch's brooms" on normal trees and those that are simply slow growing variants or forms with a restrictive habit such as the numerous narrowly columnar, horizontally branched or weeping varieties. Usually retailers make little or no distinction between the two probably more from ignorance than with any intention to deceive. Yet it is important to know which is which for the slow growers may eventually become large whereas the genuine miniatures never progress beyond a metre or thereabouts and some may reach far less. It does not matter including the slow growers with the genuine dwarfs if one is prepared to throw them out as soon as they grow out of scale, which is likely to be something like 10 to 15 years. Really by that time any plant should have paid for itself many times over in pleasures given and the notion of expendability should be applied to many plants at present regarded as permanent garden residents.

In a mini pinetum or among rock plants with which these small evergreens associate well, it is possible to have representatives of all the great coniferous families. There can be dwarf pines, firs, spruces, junipers, cypresses and yews, thuysas, western hemlocks and even Wellingtonias normally regarded as the outside giants of the tree world. There is also great variation in leaf colour, greens of all kinds, yellows and even coppery shades. Some, such as the ground-hugging Juniperus horizontalis, are completely prostrate, others, such as Juniperus communis compressa, make tiny columns, and yet others, such as Chamaecyparis pisifera filifera, are weeping, this one making a dome-shaped bush of cascading golden, whip-like growth. It also illustrates my point about true dwarfs and slow growers for it belongs to the latter group and I know specimens at least four metres high. They were probably planted 60 or 70 years ago.

A dirty weekend

IT WAS after reading several pages of Mr. Edward Heath's book on travelling that I began to realise that nothing socially disastrous ever seemed to happen to the man. He must lead a charmed life. For me, and I suspect for most of the human race, disaster stalks at every turn. Take last weekend as an example.

There I was, as well turned out as an oak such as myself can hope to be, when we had a flat tyre. To make things worse we were in the middle of a Buckinghamshire village in full flood of a flower festival, and the mother of my nearest and dearest was in the back seat.



Any thoughts that mid-June might be the right time to look at leisure wear have been dispelled by the weather. But what is bad news for the T-shirt makers is welcome tidings for the machine-men. This classic good-looking Aquascutum trench coat (the Kingsway) costs around £115 and, sadly enough, may prove just the thing for Wimbledon. There are other similar styles in various materials from £78.

FASHION

ARTHUR SANDLES

Add to that a wheel nut stripped of anything upon which a brace might grip and you have the recipe for ill temper and heavy sweat.

A couple of weeks before it had been a dinner party. In a restaurant, if something is not quite right you can send dishes back. It is a test of strength, and yet it can be done.

But when your hosts at their own table serve you with rock hard avocado when everyone else around appears to have the soft squelchy kind which can be devoured with gusto and style...?

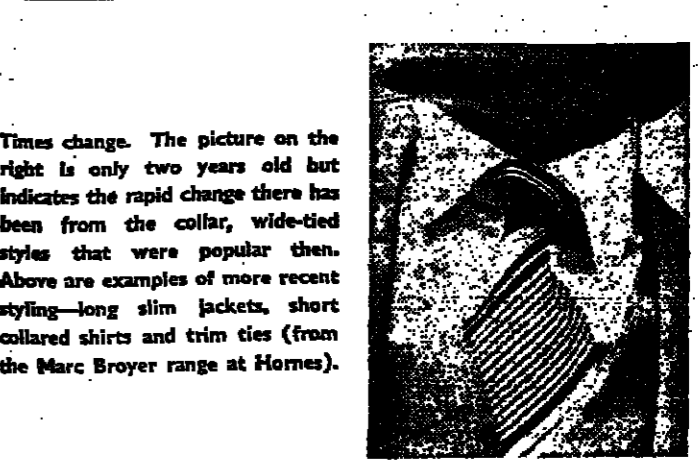
So there I was with this avocado, sitting there and glaring back with its rock hard flesh defying any form of attack. Struggling to keep up with the social niceties of first course conversation I set at the green monster with a spoon. It leapt neatly into the air, bringing the chatter to an abrupt halt with a shower of vinaigrette sauce, most of which landed on my grey flannel suit.

The good thing about that tale is that the stain, for once, came out. The inestimable Messrs. Goddard's make an excellent spray-on stain remover which works superbly well on vinaigrette. From past experience I should add that it does pretty well on sweat and sour sauce, and is not at all bad on spaghetti bolognese. It is less satisfactory in dealing with ink either the ball point or printer's variety. For those difficulties I have a friendly local family owned dry cleaner who has come to regard my problems as a challenge—work to be done for pride rather than profit.

Cleaning is something close to my heart at the moment for, as rumours of spring approach (my tomatoes and I eagerly await its first dawn), so my wardrobe is being re-examined. High on the disposal list is a collection of ties, most of them monuments to bad taste and all of them little museums of meals past. How others get their food from their plates to their mouths without losing the odd tell-tale spot on to their ties I do not know.

But replacement ties today are a crippling expense. A well-made silk tie—one that is going to survive regular visits to a dry cleaner willing to take it—is likely to cost upwards of £8. Dry cleaning at Jeeves of Belgrave costs £1.30 per tie, while Skeffley branches that handle ties, and not many do, charge 50p. My own collection went with various other items into a do-it-yourself dry cleaning drum (£1.10 for 8 lb of clothes) and half of them survived.

The reason for this examination of the stock is that they have changed considerably in style in recent months. Today's man is wearing a tie that is unlikely to be much more than 3 ins. in width (8 cms seems the classic standard now), and it is a long time since ties



Times change. The picture on the right is only two years old but indicates the rapid change there has been from the collar, wide-tied styles that were popular then. Above are examples of more recent styling—long slim jackets, short collared shirts and trim ties (from the Marc Bryner range at Homes).

A tale of a tree

GOLF

BEN WRIGHT

THE MOST bizarre incident occurred here at the Inverness Club yesterday in the first round of the 79th U.S. Open Championship. Lon Hinkle, who was to finish the day as one of the five joint leaders on one under par 70, and his playing partner Chi Chi Rodriguez, discovered a flaw in the defences of the U.S. Golf Association, who prepare their golf for this event with such meticulous care to avoid just such weaknesses.

Hinkle and Rodriguez were on the tee of the 528 yards 8th hole, one of the four new ones that were constructed specifically to toughen up this old and revered Donald Ross-designed layout when they discovered a gap in the trees that enabled them to play down the 17th fairway in the face of those coming down that hole. This meant that instead of playing the hole as a dog leg par 5 to the left, they straightened out the hole, shortening it by some 70 yards, and thus effectively making it a par 4. Hinkle used a one iron from the tee and found the green with his two iron over trees and bunkers for a birdie that set the fashion for several others.

USGA officials were incensed, and last night they convened a Press conference to announce that a 25 foot tall Black Hills spruce tree would be planted in the gap at 5.30 am this morning to cut out what they rather foolishly regarded as skull-duggery. In the opinion of officials the action of Hinkle and company was against the spirit of the game.

In my own opinion officials have reacted in a totally hysterical manner, and by planting their funny tree are acting against the spirit of the game themselves in altering the golf course after the first round of the championship. The futility of it all was borne out in the early stages of the second round which started at 7.15 am this morning when Joe King, who has no hope at all of making the cut after 36 holes, played to the 17th fairway around the controversial tree, which I have just been told has already developed a pronounced list to starboard. The other sensation of the morning was that Tom Watson the hot favourite for the championship, who slumped over the closing holes yesterday to a score of 75 by dropping shots to par at three of the last five holes, has made a totally disastrous start to his second round, and will have to fight very hard to stay in the championship.

Watson drove to the right of the fairway at the 398 yards first hole and found his ball up against the trunk of a small

mangle tree. He played a masterly recovery to the middle of the fairway, but then played a very poor pitch that came up short in the collar of rough in front of the green. Watson fluffed his chip, and then took three putts up hill from 20 feet, going far past the hole with the first of the three, to card a three over par 7. He is now seven over par after three holes and plainly struggling for his life.

Of the five over night leaders—besides Hinkle they were Andy Bean, Lou Graham, Tom Purtzer and Keith Fergus—only Purtzer is yet on the golf course, and he has returned to level par for the championship with an outward half of 36, one over par for the distance.

The tree incident, however, is very much the talk of the town, no one can remember an

incident quite like it, although in 1965 before the U.S. PGA championship at Laurel Valley a tree was planted to block a gap in the defences before the championship started. In 1954 at Baltusrol the eventual U.S. Open winner Ed Furgol hooked his drive at the final hole from the club's lower course on which the event was being played onto an adjacent hole on the upper course, and played down that hole to make his par 5 to ensure victory. If the conditions at Hadingley today should suit seam bowlers, which is probable, I would expect the home side to beat the visitors convincingly, though not as severely as those routs last summer when Pakistan were "Packer-less."

The first Prudential World Cup proved an enormous success with wonderful weather and a magnificent climax late in the evening at Lords in 1975 when the West Indies beat Australia in a memorable match highlighting all the best features of limited overs cricket. This was a sharp contrast to many of the Prudential one-day internationals between England and the Tourists. These began in 1972 and were often treated rather lightly by the Ashes or the rubber was over. Although staging these internationals before the Tests commences have been an improvement the Tourists are still largely using them as practice matches for the main events. Their real value lies in the extra money they bring to both the players and the game and the publicity they provide for the Prudential Insurance Co.

The World Cup is obviously much more expensive than the one-day internationals, but has far more appeal and purpose. It costs the Prudential about a quarter of a million pounds, some £10,000 more than their first venture. They are well pleased with this investment so far except for the weather, and are desperately anxious that today's matches, the semi-finals and final are uninterrupted and do not linger on into that fatal and costly second or third day.

Although the World Cup represents the largest of the Prudential's sporting sponsorships, they also spend some £50,000 on tennis. The bulk of the money is devoted to the grass roots of the game. Although this may lack the glamour and publicity of an international tournament, it

Man from the Pru hits a winner

CRICKET

TREVOR BAILEY

TODAY THE group section of the second Prudential World Cup ends, but as the West Indies, New Zealand, Pakistan and England have already qualified for semi-final places some of the excitement has departed. However the match between England and Pakistan remains important and intriguing, as the winner, assuming New Zealand do not bring off an unlikely, but possible surprise in the other game, will avoid meeting the favourites, the West Indies, until the final. England v the West Indies at Lords next Saturday would make the ideal finish for this competition.

Pakistan possess the more gifted stroke makers and England have a much stronger attack. If the conditions at Hadingley today should suit seam bowlers, which is probable, I would expect the home side to beat the visitors convincingly, though not as severely as those routs last summer when Pakistan were "Packer-less."

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certainly does more for the future of tennis and also avoids the headaches suffered by so many sponsors at professional meetings, due to the failure of star performers to arrive.

The Prudential have also recently started sponsoring golf in a minor way with two Pro-Am meetings, one in Scotland and one in Northern Ireland. The former is a low profile affair because Scottish golf tournaments of this type are commonplace and of little interest to the media. Nevertheless it has proved popular with brokers who handle most of their pension side, and sensibly allows three categories of amateur golfer.

In contrast their Pro-Am meeting in Northern Ireland is well covered by the press and consequently provides a high-class field, both professional and amateur.

There are various reasons for the Prudential moving into sporting sponsorships. They appreciate that the three games in which they are involved could not exist in their present form without business sponsorship. As a large, respected and highly profitable company, they felt it was almost a duty to provide support. Nevertheless they are certainly not a philanthropic concern and have entered this new field for them with caution and considering their size on a comparatively small scale. They are happy with results and believe the sponsorships have increased their main identification more effectively than many advertisement campaigns with a similar outlay.

Their sponsorships have also assisted in broadening their overall image. Many of the general public, even today, still tend to think of them in terms of the little man from the Pru in bowler hat, dark suit and cycle clips, who calls at working-class houses each week to collect a few bob. Fortified by a cup of tea, he was also prepared to listen and then adopt the role of friend, priest or psychiatrist. It was he and all those many other salesmen who combined selling insurance with providing advice who built the Prudential, but since the war it has expanded enormously. It is now a large multi-national concern and the World Cup fits ideally in with these developments as they have considerable interests in Australia, New Zealand and Canada who will all be playing cricket today.

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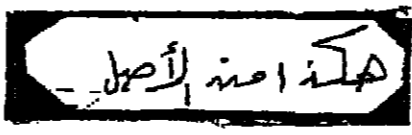
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HOW TO SPEND IT

by Lucia van der Post

There's more to chimneys than meets the eye



IF YOU wanted a new chimney, or indeed your first chimney supposing your house, like many new ones, didn't have one, would you know how to set about choosing one? The chances are that you'd do what most people do which is to go to your local builders' merchant. Most builders' merchants, however, carry only a small range of chimneys, are not experts in the subject and would be unlikely to be well-acquainted with the finer nuances of chimney behaviour in all relevant circumstances.

What you really need is a chimney expert, somebody who is absolutely au fait with all the models on the market, is able to determine which product would be best

for your particular house, fuel and situation. This sounds sensible and obvious but the difficulty is that until fairly recently there haven't been any such specialists and even now I only know of one. The Chimney Specialists of Jubilee Works, Chilton Industrial Estate, Sudbury, Suffolk (tel. Sudbury 75600).

The Chimney Specialists are well known in East Anglia where they have quietly been building up their business to the point where they are able to expand and offer a nationwide service.

Neill Fry, whose business and passion this is, clearly loves chimneys but equally he is deadly serious about how important they are. When I think of

chimneys I think of all those lovely clay pot tops one sees against a country skyline. When Neill Fry talks of chimneys he's talking of the bits that really matter—the innards which are really what counts.

The wrong chimneys can be dangerous—the sad stories that appear throughout the winter of people mysteriously being suffocated, of fires inexplicably happening, are often the result of ill-chosen chimneys. Materials which suit one fuel will not suit another and without proper knowledge many people opt for the wrong one. For example, flexible flue liners in old stacks were meant for gas and oil only. What suits an open fire will not necessarily suit a closed combustion stove.

Neill Fry could be said to have started one of the oddest mail order companies on record for he has devised a method of advising on and selling chimneys by post. After years of experience, of analysing the essentials, he has worked out a way in which he can "diagnose" the correct solution from measurements and to this end he has produced a form which potential chimney buyers should fill in—this gives him all the relevant information he needs.

He maintains that most people can fill in the form themselves (measurements of rooms and other details are required), and indeed, now that chimneys are mainly prefabricated and sectionalised, most averagely competent do-it-yourselfers

ought to be able to instal them. However, people who feel they can't do this, or don't want to be bothered, can call in a local builder and get him to fill in the form and then do the installation.

Costs are almost impossible to give as each and every case is different: they range from about £105 for a chimney on the outside of a bungalow to £300 for a complete installation and a good modern fireplace inside the house as well.

The choice of chimneys seems particularly relevant now in the face of rising oil prices and the trend towards wood-burning appliances. It still seems amazing, given that most of us do feel that there's nothing quite like an open-fire, that one in six

newly-built houses are constructed without a chimney. Neill Fry reports that much of his work on the domestic front is concerned with putting in chimneys and fireplaces for houses that don't have them.

The other large section of his work is in putting right chimneys that have deteriorated—chimneys are liable to corrode and don't last forever. He pleads with people who have a chimney problem to get it sorted out now—most people only tend to think of these things in the winter with the result that he along with almost the entire heating business, gets 68 per cent of his customers clamouring for help and service in three months of the year. So if help with your chimney is what you need—try and get it now.

BUDGET BUYS AND BUDGET BUYING . . . VAT

MOST OF the big stores report that the reaction of many people to the Budget has been to rush, lemming-like, to the shops and buy something—anything—in the certain knowledge that its price was bound to rise. The trouble is that some prices are going to rise more than others and judging by the pattern of spending reported by the stores, few of the buyers seem to be very discriminating. Most of the big money has been spent on electrical goods and hi-fi equipment in the last few days but those are precisely the items which already have a 12½ per cent VAT rate and which will, therefore, only go up by 2½ per cent on Monday.

If you're bound on a last-minute beat the VATman spree today it seems only sensible to look at the areas where the in-

creases are going to be the greatest—always supposing you really need whatever it is in the first place. Many of us haven't been too aware of what was rated at 8 per cent and what at 12½ per cent but the most obvious savings to be made will be in those goods that are currently VAT-rated at 8 per cent but will go up to 15 per cent on Monday.

It appears that not all stores will be raising the price of goods in the 12½ per cent bracket for the time being anyway, presumably to allow the present stock to be sold at current rates. Harrods in particular tells us that things like radios, TV, audio equipment, fridges, freezers, washing-machines, small electrical goods, real jewellery, furs, sewing machines, cameras, binoculars

and projectors, all of which are VAT rated at 12½ per cent, will be kept at current prices for the moment.

In the furniture department, though, it is a different story—VAT will be raised from 8 per cent to 15 per cent immediately and a luxury double pocket-sprung bed which will cost you £578 on Saturday will be re-ticketed at £615 on Monday. At Heal's they tell us that a basic suite of furniture of a good make like Collis and Hayes which sells for about £699 today will be £744.40 on Monday.

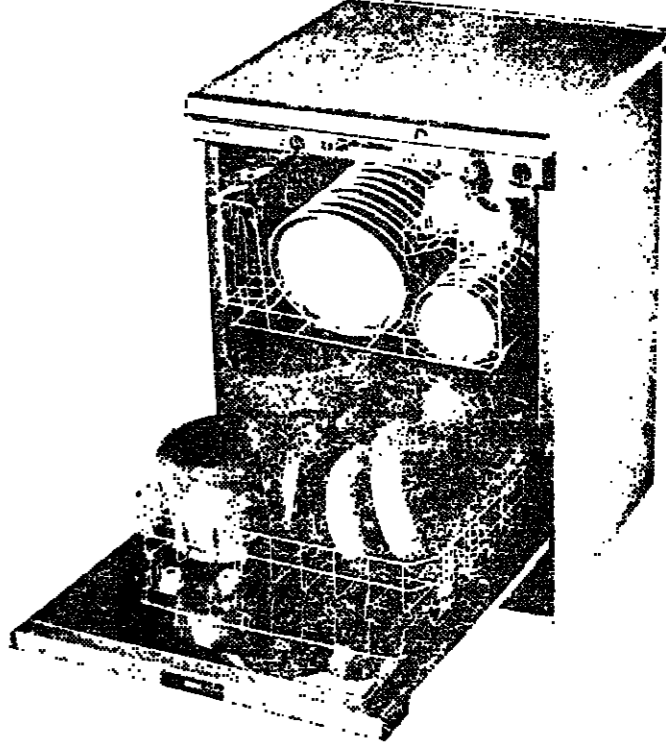
China and glass, too, are things to buy if you need them. A Wedgwood 33-piece service which is ticketed at £391.60 today goes up to £417, while a Villeroy and Bosch dinner service goes from £109.80 to £133.14.

Clothes, too, are VAT rated at 8 per cent so if you've been fancying a suit or a silk dress and can find what you want today, buy it. The biggest savings, of course, are to be made where prices are highest so if you've been needing new carpets, a new cooker, or above all, a new Rolls-Royce, today's the day to buy them. Shoe repairs, hairdos, dry cleaning and all other services are going to cost a lot more, too, but by now most high street hairdressers are booked out for Saturday hairdos and you won't get your shoes mended or your clothes dry-cleaned in time. But whatever else you do, don't forget to lay in plenty of drink (wines, beer and spirits are all going up from 8 per cent VAT to 15 per cent) so that at least you have plenty of consolation at hand.

Buyers and Sellers is to be found at 120-122, Ladbroke Grove, London W10 (01-229 1947) and 72, Uxbridge Road, London W12 (01-743 4949) and specialises in selling white-goods at very reduced prices—everything they sell is perfect mechanically and has all the

usual guarantees but prices are reduced because there may be scratches on the cabinets, or they may have been bought at special prices from the manufacturers. Similarly, this Candy machine is likely to have slight scratches on the cabinet but it will be mechanically perfect and all the usual servicing agreements and guarantees will apply. It measures 85 cm high x 60 cm wide x 60 cm deep. The machine itself takes 12 international place settings. Has seven automatic programmes and may be plumbed into the hot or cold water systems. It is said to be very quiet because it is lined with sound absorbing panels.

If you want to take advantage of Buyers and Sellers' special offer remember that this applies only to Saturday, June 23 when both shops will be open from 9.00 am to 5.00 pm (usual opening is Monday to Friday, 9.00 am to 5.00 pm except for Thursdays 9.00 am to 12.00). Delivery in the London area is £2 extra; outside London it will cost more.



gadgets

I'M not terribly gadget-minded in the kitchen, preferring a look that tends rather more towards the farmhouse than the laboratory. However, I'm gradually giving ground to a few vital pieces of equipment. I'm already devoted to my own particular food processor (about which I wrote over a year ago

now) but for anybody who has neither a food processor nor a mixer and is debating what to buy, a new model has arrived on the market which deserves consideration.

It is the Maxima machine, made by Moulinex. On the plus side it has a choice of two blades—plastic or metal; the advantage of the additional plastic one is that it

mixes doughs and pastries rather more gently than does the metal blade.

The Maxima also slices or grates either finely or coarsely (any processor just slices or grates in a fixed position) and, wonderful for families with children, has an amazing attachment which can deliver chips at the rate of 1 lb in eight seconds. On the minus side it does not

have the extreme simplicity, nor is it quite as neat looking or as easy to house as my own food processor, the Robot-chef.

It is on sale in most good kitchen stores and electrical departments now and you should shop around as prices range between £44.95 and £62.95. Its top price will go up to £64.35 on Monday, but you should still find it at much lower prices.

. . . dishwashers

CYNTHIA COYNE one of the directors of the company Buyers and Sellers (of which I have written before), has a theory that one of the reasons only 3 per cent of British householders own a dishwasher is that they are so expensive—even in discount houses most of them are over £200.

In order to test her theory, Cynthia Coyne proposes to hold for ONE DAY ONLY an experimental sale. Next Saturday, on June 23, she will sell the Candy fully-automatic Dishwasher, model 290 at the manufacturer's price to her of £140.95, thus making no profit herself whatsoever. This particular model normally sells at Buyers and Sellers for £171.05 while the recommended retail price is £215.

Buyers and Sellers is to be found at 120-122, Ladbroke Grove, London W10 (01-229 1947) and 72, Uxbridge Road, London W12 (01-743 4949) and specialises in selling white-goods at very reduced prices—everything they sell is perfect mechanically and has all the

. . . furniture

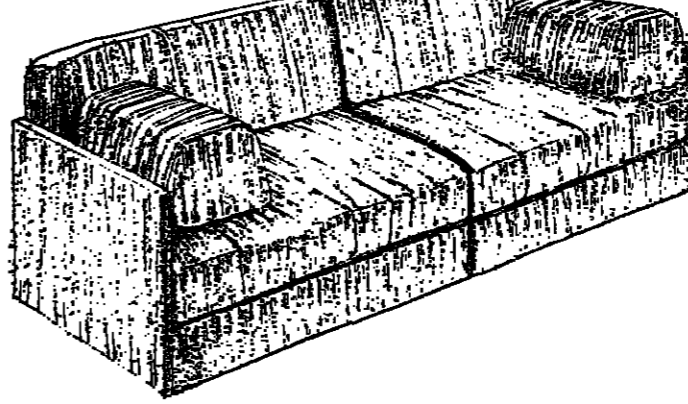
ANYBODY who knows anything about the way furniture is sold is always appalled at the mark-ups. It is usual to double the wholesale price to reach the retail price, which in practice means that one half of the price you, the customer, pays covers design, research, manufacturing, materials and transport while the other half covers the stores' costs.

I daresay a storm of protest will fall upon my head from outraged retailers but most of us feel that this can't be right—retailing is obviously a vital service and to do it well costs money but it seems on the face of it inequitable that the reward for a more passive role should be equal to that of the manufacturer.

In addition most of us nurture a feeling that if only the retailer put on a lower mark-up he would turn his goods over faster, thus generating a more lively atmosphere in the shop and pleasing more of the people more of the time.

Several shops have tried this policy from time to time but tend to founder under the sort of pressure which persuades a store to sell at a price that is not too dissimilar from his neighbours'.

So a store that is brave enough to stand by its intentions to put on low mark-ups and thus hopefully to sell more and make up



Robin Coles

its revenue in that way is to be applauded. Charles Page Interiors of 61, Fairfax Road, London, NW6, and 48 High Street, Edgware, are not London's most exciting stores in terms of taste but they do seem to be making a serious attempt to supply high quality furniture at very reasonable prices.

Dux's Avanti excellent cabinet furniture, well-stocked, superbly Charles Eames, Bauhaus and Wassily-type chairs can all be found at prices considerably less than in the West End.

Perhaps, however, the most startling saving is to be found in one of the most luxurious ranges of furniture in the world. The collection is very simple, based on fine lines, beautiful fabrics and exquisite

finish. There is a simple armless chair and pouffe, an armchair, two or three-seater sofas and a corner unit which enables one to build up units as and when one likes. They may be covered in lovely leather or fabric and, to give you some idea of the enormous savings to be made, the leather two-seater sofa which converts into a bed in the range DS 76 is sold by Charles Page for £792, while in a high-quality department store in Knightsbridge the very same item sells for £1,796. In this particular case, part of the explanation for the price gap lies not just in a difference in mark-up but is also due to varying currency exchange rates; the furniture made exactly under licence in Italy costs a great deal less than the identical items made in Switzerland.



BOUQUET

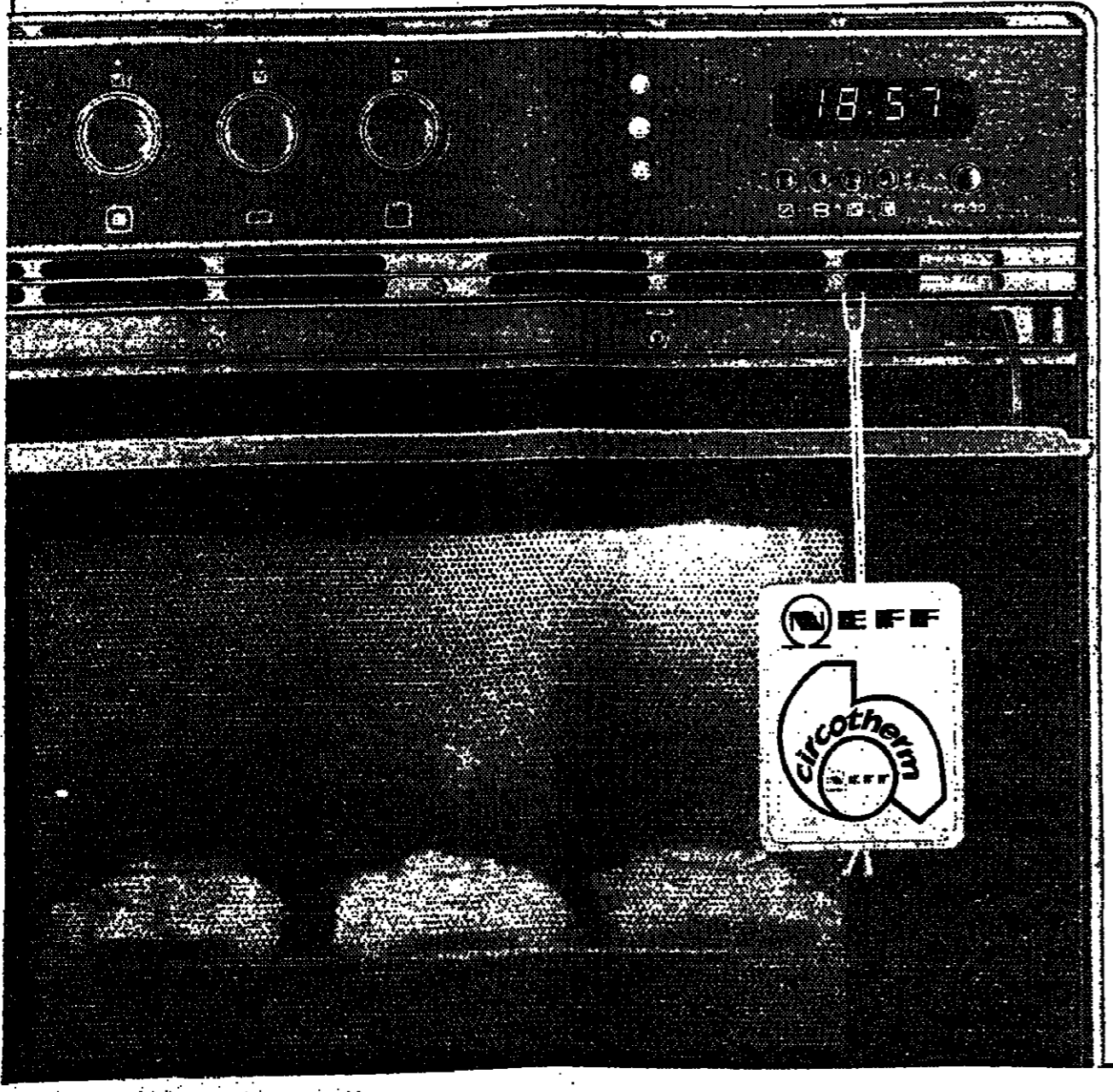
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For more information write to NEFF (UK) Ltd., Dept. FT, The Quadrangle, Westmount Centre, Uxbridge Road, Hayes, Middlesex.

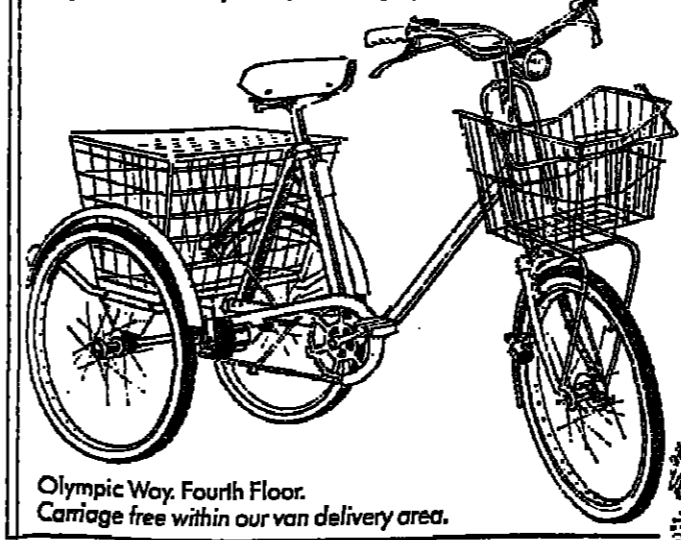
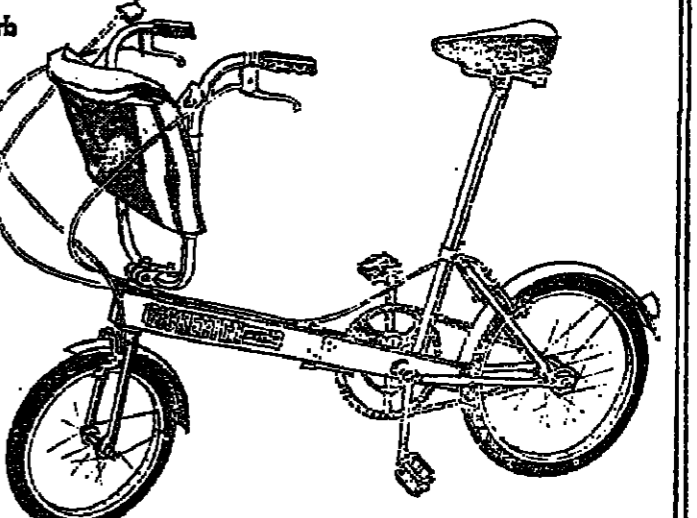


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PROPERTY

When a garden is an estate agent's joy

BY JUNE FIELD

"TO OWN a bit of ground, to scratch it with a hoe, to plant seeds, and watch their renewal of life—this is the commonest delight of the race, the most satisfactory thing a man can do," wrote Charles Dudley Warner in *My Summer in a Garden*, 1871.

While one may not necessarily buy a house only for its garden, in this, the year that we are celebrating one thousand years of British Gardening with the splendid exhibition *The Garden at the Victoria and Albert Museum* until August 27, a pretty, cared for landscape could well be a plus on estate agent's particulars. Always bearing in mind that Mr. Warner also warned that "what a man needs in gardening is a cast-iron back, with a hinge in it."

In Georgian and Victorian times there was considerable co-operation between architect and gardener. "Capability" Brown (1716-1783) worked with Henry Holland, master builder and architect, the prolific Humphrey Repton (1752-1818)—in less than 30 years he worked on 220 places spread over the British Isles—was closely associated with the Wyatts before going into partnership with John Nash, and Gertrude Jekyll (1842-1932) worked with Edwin Lutyens for over 40 years. A Lutyens house with a Jekyll garden became a part of the English way of life.

Farewell to the Premium

THE VIRTUAL abolition of the investment currency premium—the "dollar premium" as it is still popularly known—will make two main changes in the overseas property market for British citizens. Obviously it will make it easier and cheaper to buy but it could also make it more risky.

In one way the premium made people more cautious—at least the punters who were doing their purchase in the officially approved way. The very fact that they had to obtain Bank of England permission for the transaction and had to buy investment currency made them more cautious in the dealings they had with others such as estate agents, solicitors, etc.

Of course this did not deter the cowboys who were determined to beat the system and would carry abroad a suitcase

at The Bush Hotel, Farnham, Hants, on July 11.

Little Thakeham, a mile from the old village of Thakeham near Pulborough, is a country house the main portion of which is believed to be the only Lutyens mansion in Sussex. Dating from about 1902, it was designed by Sir Edwin Lutyens just when his style was changing from Tudor to Georgian. Built of weathered local sandstone with leaded light windows and massive chimneys, the interior has typical Lutyens features such as a screened passage in the music room, and large inglenook fireplaces in the living-rooms.

The gardens were laid out by Gertrude Jekyll, and include a formal rose garden with flagged walks, shaped yew hedging and various herbaceous borders. The house was divided about 20 years ago, and John D. Wood, 11, Market Square, Horsham, and Whiteheads of Pulborough, were asking around £30,000 for the major portion of the house, £20,000 and £28,000 respectively for two flats, and £12,000 for what is described on the particulars as "The Coal House," a single-storey dwelling off the courtyard made into 1+1+B+K, which I am sure must be sold by now, as considerable interest was being shown in the whole property.

The 8-acre grounds of Gorsehill House, between Fittleworth and Petworth, beautifully landscaped and stocked with specimen trees and shrubs, are open to the public in the summer under the National Gardens Scheme. You can drive up to the property along a sweeping drive banked with rhododendrons. Designed by Norman Shaw, 1871-2, for Henry Upton, steward of the Lesconfield Estate, it has been described as "a medium-sized house with some limp exterior detail but good interior features, notable joinery."

The quality of the carpentry is revealed in the library, which is half-pannelled in pine with moulded borders and built-in adjustable bookcases and cupboards. There are five bedrooms, four bathrooms, and a four-roomed top-floor flat, plus a kitchen garden, five stables, and two paddocks, and the agents, Knight Frank and Rutley, who are offering the property on behalf of Lady Fry, widow of Sir Leslie Fry, Britain's former Ambassador to Indonesia and Brazil, are expecting in the region of £200,000.

Messenger May and Baverstock have three houses on offer near Guildford, all with particularly pretty gardens. The five-bedroomed Silver Ley, Malacca Farm, Oak Grange Road, West Clindon, was built in Sussex farmhouse style in 1937 by a builder for his own occupation. Flowering cherry, silver birch, box hedges and a profusion of rose bushes cover the garden which includes 13 fruit trees, a vegetable section, and two greenhouses. Offers

invited around £85,000. In the same village is Penderys, a six-bedroomed, two-bathroomed house with a picture-book garden of fish-pond bordered by rhododendrons and azaleas, plus a greenhouse, summerhouse, and a 2-acre paddock. Offers over £90,000.

Lord's Hill Cottage, Shamley Green, built in the 17th century, has five bedrooms and two bathrooms, plus 1-acre gardens with wisteria, rockery and waterfall, referred to as being screened by a high holly hedge, and "dog-proofed."

Offers around £120,000. Full details of these three Surrey properties from C. J. Brough, Messenger May and Baverstock, 3, Quarry Street, Guildford.

Also in Shamley Green is a superbly appointed 15th century manor house, with galleried hall, five living rooms, six bedrooms, seven bathrooms and Swedish sauna, all securely tucked away in 20 acres adjoining 350 acres of National Park. The agents, Harrow and Partners, 30a Southville Street, London, W.11, (Illustrated brochure from them only if you are in the £350,000 bracket), told me that the spectacular grounds, which include a water garden, potting shed, four paddocks, two boxes, tack room, staff quarters and helipad, are planted with specimens tended by a French professor of botany, a friend of the owner, who flies over every few weeks to tend them.

Lanham, Peldon, six miles from Colchester, in Essex, some 25 miles from Harwich with its



Ednaston Manor, near Brailesford, Derbyshire, is being sold by the executors of the late S. D. Player, John German Ralph Pay, Rounda, 131 High Street, Burton-on-Trent, or Charles Bailey, John German Ralph Pay, 127 Mount Street, W.1.

pasture, which are expected to fetch in the region of £220,000 or more, inquiries Robert Anderson, 100, The Quadrant, London, W.1, or Charles Bailey, John German Ralph Pay, 127 Mount Street, W.1.

easy access to the Continent is a pretty three-bedroomed, two-bathroomed house with equally pretty garden which was featured in *Mear Allen's The Gardens of East Anglia*. The sea is about four miles away, and there is sailing at West Mersea.

In front of the house is a large terrace with built-in barbecue, beyond are spreading lawns, rockeries, shrubberies, and an ornamental pool, plus a large pond which has been the home of the owner's collection of rare ducks. The vendors hasten to point out that the gardens are easy to look after, and suggest that an area of young conifers could easily be cleared to provide a paddock. Knight Frank and Rutley, 20, Hanover Square, London, W.1, are inviting offers in the region of £70,000.

For your reading there is Anthony Hussey's *An Illustrated History of Gardening* (Fadington Press, 1978), Miles Radford's *A History of British Gardening* (John Murray, 1979), and the just published *A Garden Alphabet*, compiled by John Harris in association with the Victoria and Albert Museum for the *Gardens* Exhibition (Omnibus Books in association with Edgeworth Press). All are concerned with houses and gardens rather than the mechanics of gardening, the late Joan Clifford's *Capability Brown*, Kay N. Sanecki's *Humphrey Repton*, and *Gertrude Jekyll* by Betty Massingham, all in the Shire Publications Lifetime series.

of dirty fivers or put themselves in the hands of an agent who promised that no premium would be necessary. Indeed there was a famous case four years ago when no less than 20 punters were caught by a crooked agent. But who could they complain to? The Spanish police were simply not interested and to complain in Britain would have attracted the disapproval of the police and of H.M. Treasury. And the fines could be hefty.

The danger now is that without controls people will be tempted to put a deposit on the first thing they see thinking that it is a freer and more open market. But the cry has already gone out "Beware the handits." The insouciant operators will still be around and there is a need for caution even more than before.

The obvious reaction is that prices must jump up since the

premium—recently standing at just over 20 per cent—has been removed. But this is most unlikely. The British form only a small percentage of those buying overseas and prices are hardly likely to reflect the recent good fortune of one minority.

When I said virtual elimination that was because the upper limit is now £100,000 and very few buyers get near that. The most popular bracket is around £20,000. The raising of the limit on the amount of money on emigration one is allowed to take out of the country to £200,000 will, of course, encourage home-buyers.

Agents already report that there has been a flood of enquiries with Spain, France and Portugal at the top of the list. Even the Bahamas looks ready for a mini-boom.

Agents already report that there has been a flood of enquiries with Spain, France and Portugal at the top of the list. Even the Bahamas looks ready for a mini-boom.

BY JOE RENNISON

READER & SON

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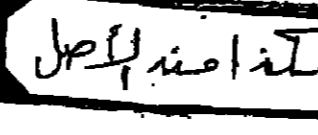
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ARTS

Deuce take it!

Tom Stoppard had to do a certain amount of rewriting on Professional Foul for its first radio production (Radio 4 UK June 11) earlier this week. Those opening shots of the British philosophers in mid-fight on the way to the conference in Prague, pushing their aeroplanes, need some more dialogue on sound only but apart from a few details of that kind, we heard the same text that was used for the original television production in 1977. And, happily, it had the same principal, Peter Barkworth and John Shrapnel, for the itinerant, logic-chopping pair of dons. This was a World Service production (what good things they do on that channel), directed by Gordon House. It

the dialogue fraught with danger in the hotel room and the wanted man's apartment. Stoppard is a specialist in the intricate rivalries which afflict professional groups and in Barkworth and Shrapnel he had two perfectly matched combatants. That wide-ranging literary critic, Sir Victor Fritchett, has for some years been urging us all to read Meredith, and the urging has, I suspect, largely gone unheeded. There is the opportunity to get on terms with Meredith in small, comparatively painless doses in the current Sunday night drama serial on Radio 4 UK. I recommend D. G. Bridson's adaptation of The Adventures of Harry Richmond, directed by John Cardy, especially now it no longer clashes with Crime and Punishment. The story so far is that young Harry, brought up by his maternal grandfather at Riversley Grange in Hampshire, has just come into a considerable fortune on reaching the age of 21 and has started on the Grand Tour chaperoned by a bookish cleric called Peterborough.

RADIO ANTHONY CURTIS

made me think that this neat piece of satire must be one of the most durable of Stoppard's works. He has given us a philosopher before in Jumpers, and pointed out the discrepancies between what he says and what he does, but here the setting of an international congress in a Communist country with the English footballers staying in the same hotel as the dons, provides him with a succession of political and social targets at which to aim his rapid, accurate rat-rat-tat of verbal bullets.

I could have done with a more distinctly Czech tone in the accents of some of the local characters to make me feel I really was in Prague falling foul of the security police, and not in a studio in Portland Place, but otherwise it came over untrigglingly.

You could certainly not fault Mr. Barkworth's depiction of the high-calibre academic who greets every fresh event with fastidious, analytical distaste. This time events, in the form of pupil non-working as a lavatory-cleaner (Nigel Anthony), catch upon him so fast that he is forced to move for once from the world of philosophical speculation to the realm of positive action. As the congress gets under way and we hear the paper read by a zealous American colleague, philosophy comes to seem a greater and greater irrelevance to what is actually happening and the leisurely conference ritual a mockery when contrasted with

The journey exposes Harry to the influence of his reprobate father Richmond Roy who diverts the party to Ostend and his casino. Will the filial Harry be inveigled into bad spend-thrift habits by his papa? I suggest you listen to James Aubrey as Harry, and Anthony Newlands as his dad, fighting it out this weekend. The only trouble is that although Meredith had a fine feeling for the big dramatic coup—the novel opens with the prodigal father to abduct his infant son—he took his line leading up to the theatrical moments. Here he fills in with a direct address to the reader by the hero and Mr. Bridson has always been keen to digest these confessional chunks. Otherwise full marks.

We shall soon be getting that startling, annual proof of radio's ability to turn an event for the eye into a happening for the ear: I refer to the ball-by-ball commentary on radio from Wimbledon, a feat of articulation that always leaves me breathless with admiration. In the meantime my Very Mixed Double (Radio 4 UK, June 13), Peter White presented a varied collection of tennis-matches described by authors as diverse as Angela Brazil, H. G. Wells, John Betjeman, Scott Fitzgerald, and Irwin Shaw, showing on the whole a rather ugly set of motives behind the elegant stroke-play.



Kristina Laki and Marius Rintzler

The Silent Woman

Die Schwaigeme Frau returns to Glyndebourne two years after the first performance there of the production by John Cox in designs by Michael Annals. Once again Andrew Davis conducts the London Philharmonic. He and they are even more successful than before in containing the bustling activity of late Strauss within tolerable limits without letting the surface go dull or obscuring too many of the German words. The horn playing was an especial delight — Strauss writes for the instrument like an epicurean. Peter Gottlieb returns to the role of the officious tutor, Jerome Fruttet as nephew Henry had the piece. He is as assured and stylish as ever, but this time he is more strongly supported.

The central figure of Morosus, the retired admiral who cannot endure noise and lives, surrounded by naval trophies, in a padded attic near St. Paul's, is taken this time by Marius Rintzler, excellent singer with a voice like old Madeira, resourceful character actor with expressive, watchful features. Morosus is a big role but not an easy one. The mock-wife Timidia (really Aminta, married to the admiral's long-lost nephew and heir, Henry) is another improvement. Kristina Laki had not quite settled down on Thursday, but her best singing was a clear and pure as crystal. She looked charming, with a regretful air that betrayed how little Aminta relished deceiving the old man — in fact, the streak of sentimentality in the libretto makes the whole thing more unpleasant than a hard-faced, artificial romp of the conventional type. Jerome Fruttet as nephew Henry had the piece. He is as assured and stylish as ever, but this time he is more strongly supported.

Cox directs their antics, mock-marriage, mock-trial and all, with tact as well as skill. Though it still seems that subject and libretto as well as a good deal of the score will prevent Die Schwaigeme Frau from rivaling Intermesso or Capriccio in our affections, much of the music comes up better a second time. There are cheap passages (like the opening of act 2) and racy ones, but also precious stones of vocal and instrumental writing like the scene of the three prospective "brides" leading to the false Timidia's demure solo with cor anglais; the nocturnal duet for the young marrieds turned into a trio by the off-stage snore of Uncle Morosus; the stragglingly euphonious passages where the admiral sings the praises of silence and domestic peace. And the two ensembles for the comedians, already mentioned, though they hold up the action, could only have been fashioned by a master.

RONALD CRICHTON

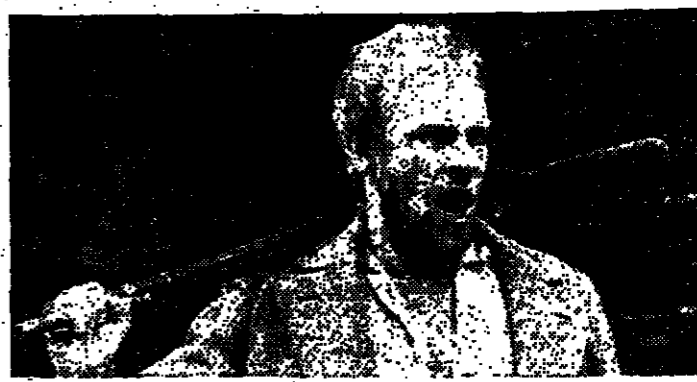
The Red Line from Finland

Such was the acclaim that greeted Aulis Sallinen's The Red Line at its Helsinki premiere six months ago that the Finnish National Opera was persuaded to bring it to London. It had—sadly—the one performance at Sadler's Wells on Thursday; because it is an opera of great consistency and effectiveness, and the plain strength of Kalle Holmberg's production was answered by a splendid cast. Max Loppert reported the first performances very fully on this page in December; we had again the fiery Jorma Rynninen as the crofter hero, with Taru Valjakka as his bitterly dignified wife. The smaller roles were rendered with inclusive detail by the excellent company, but special mention is due to Usko Vitanen's socialist agitator—a richly ambiguous blend of convinced idealist and cynical pro and a craftsman's sense of how to make their little history immediately vivid.

(derived from a novel by Ilmari Kianto) has come first, and that its musical realisation has been shaped with an eye (and ear) to well-articulated models. The story is of the politicalisation of poor crofters, marginal Finns discovering in 1907 the potential of the ballot-box and the promise of collective socialism. Mutatis mutandis, there are East European parallels enough which embody the theme; the special factor in The Red Line is a Russian bear, an unpredictable, marauding destroyer whose threat to peasant existence is beyond the reach of good local intentions. The theme must have a hard resonance for Finns, and sharp echoes for the rest of us. With this alien, irrational force looming, Sallinen views the ideological strides made by his characters with some ironic detachment and a craftsman's sense of how to make their little history immediately vivid.

Where full-throated reactions are called for, Sallinen supplies his singers with suitable ones in a coherent personal style. It is sophisticatedly modal, accommodating at one end big, appealing folk-musical in concert-style (tune picked out on glockenspiel, modern percussion noises on the oboe) and at the other cluster-chords and orchestral screams; in this opera, traditional devices always illustrate warring sentiment of the community. The orchestration is unfailingly apt and telling. It is Sallinen's commitment to the story that makes all this more than mere expertise—the canny concision of the scenes and the dramatic timing testify to real, practical imagination. It will be exciting if so substantial a talent conjures up another opera less beholden to the conventions of the genre, one in which the music takes fuller command of the action; meanwhile, The Red Line stands as a robust example of creative loyalty to a type.

DAVID MURRAY



Jorma Hynninen

American Days at the ICA

Into the ecapist limbo of a top record company executive's office — all aquarium, refrigerator, knee-high carpet and gold discs — tumble three teenagers; spotted by an insecure talent scout and now given a bit more chance to impress. American Days, which has just started a four week run at the ICA Theatre, has fashionable writer Stephen Pollakoff (Hitting Town, City Sugar) dealing for once with a fashionable subject, linking the worlds of the theatre and rock music. But rather than perceptive insights and cutting dialogue there is an enjoyable old fashioned tease, which one of the three, if any, will be chosen. Will it be the Brum punk,

Tallulah, played by Toyah Wilcox with a nice mix of aggression and uncertainty; Gary, portrayed by Paul Daniels as a youthful adrenalin rush who continually goes over the top; or Lorraine the skinny kid hiding ingrained femininity and a good performance from Caroline Embling? Pollakoff has the dramatic ability to make you care very much. The play is held together by Anthony Sher as Sherman, the perpetually moving professional who knows he is only as good as his last number one. Not daring to sleep unless he forgets which city he is in, living out of the refrigerator and hooked on constant action, Sherman is not an unsympathetic character. He

may be in a cut-throat, candy-floss, business, devoted to exploiting people in the rush to exploit fashion, but he has no personal vices, as well as no public virtues. By the end Sherman is momentarily rocked, the selfish integrity of the new generation of teenagers, unwilling to be won over completely by big business, shakes for a second his confidence in the system. But then it is off to the airport and unreality. Pollakoff may have taken a superficial look at the pop industry but under the direction of John Chapman and Tim Fywell, this is a well acted, nicely rounded, and completely enjoyable play.

ANTHONY THORNCROFT

TV/Radio

BBC 1

7.40-8.30 am Open University (Ultra High Frequency only). 9.00 Camberwick Grove. 9.15 Land of the Living. 9.30 The World of Peter Rabbit. 10.00 Play Sport. 10.25 Tom and Jerry. 10.40 Trouping the Colour. The Queen takes salute on Horse Guards Parade, London, on her official birthday.

BBC 2

12.15 GRANDSTAND: World Cup Cricket (12.20, 1.50, 2.20, 2.55). The Prudential Cup: England v Pakistan and West Indies v New Zealand. International Rugby Union (1.20). Australia v Ireland. Racing from Bath (1.35, 2.05, 2.35). 2.50 The Belmont Stakes from the United States. International Tennis. 3.25 The Shell Art of Grass Court Championships: Semi-finals. International Show Jumping (2.55) Benson and Hedges Championships. 4.55 Final Score.

LONDON

8.35 am Sesame Street. 9.35 The Fantastic Four. 10.00 Superstars. 10.30 The World of Sport. 12.30 International Sports Special Part One: American Soccer; Clay Pigeon Shoot-

10.00 The Voyage of Charles Darwin. 11.00 International Show Jumping: World Cup Cricket. 12.30-12.35 Weather. All Regions as BBC1 except at the following times: Scotland—12.15-5.20 pm Grandstand, including SAAA Championships. Wales—9.00-9.15 am Heads and Tails. Northern Ireland—1.20-1.50 pm Grandstand Rugby Union. Australia v Ireland. Re-join BBC1 (Grandstand). 5.30-5.35 Sport/News for Northern Ireland.

BBC 1

7.40-8.30 am Open University (Ultra High Frequency only). 9.00 Camberwick Grove. 9.15 Land of the Living. 9.30 The World of Peter Rabbit. 10.00 Play Sport. 10.25 Tom and Jerry. 10.40 Trouping the Colour. The Queen takes salute on Horse Guards Parade, London, on her official birthday.

BBC 2

12.15 GRANDSTAND: World Cup Cricket (12.20, 1.50, 2.20, 2.55). The Prudential Cup: England v Pakistan and West Indies v New Zealand. International Rugby Union (1.20). Australia v Ireland. Racing from Bath (1.35, 2.05, 2.35). 2.50 The Belmont Stakes from the United States. International Tennis. 3.25 The Shell Art of Grass Court Championships: Semi-finals. International Show Jumping (2.55) Benson and Hedges Championships. 4.55 Final Score.

LONDON

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ing. 1.15 News. 1.20 Motor Cycling. 1.50 The ITV Seven: Racing from York (2.00, 2.30, 3.05 and 3.40) and from Sandown (2.15, 2.50 and 3.25). 3.50 International Sports Special Part 2: Tennis. 4.55 Results. 5.05 News. 5.15 The Masterspy. 6.00 Mork and Mindy. 6.30 Kidnapped. 7.00 Chopper Squad. 7.30 Celebrity Squares. 8.30 Lovely Couple. 9.05 News. 9.15 The Sons of Katie Elder (film) with John Wayne. 11.30 Police 5. 11.40 On the Road. 12.40 am Close.

GRANADA

9.05 am Early Music Instruments. 10.05 Happy Days. 11.15 Mork and Mindy. 11.25 Bachman-Turner Overdrive. 12.25 Firebird Theatre. 9.05 am Invasion Road. 9.30 The Beachcombers. 9.55 Mr. Margo. 10.25 Mork and Mindy. 10.55 Mork and Mindy. 11.25 Mork and Mindy. 11.55 Mork and Mindy. 12.25 Mork and Mindy. 12.55 Mork and Mindy. 1.25 Mork and Mindy. 1.55 Mork and Mindy. 2.25 Mork and Mindy. 2.55 Mork and Mindy. 3.25 Mork and Mindy. 3.55 Mork and Mindy. 4.25 Mork and Mindy. 4.55 Mork and Mindy. 5.25 Mork and Mindy. 5.55 Mork and Mindy. 6.25 Mork and Mindy. 6.55 Mork and Mindy. 7.25 Mork and Mindy. 7.55 Mork and Mindy. 8.25 Mork and Mindy. 8.55 Mork and Mindy. 9.25 Mork and Mindy. 9.55 Mork and Mindy. 10.25 Mork and Mindy. 10.55 Mork and Mindy. 11.25 Mork and Mindy. 11.55 Mork and Mindy. 12.25 Mork and Mindy. 12.55 Mork and Mindy. 1.25 Mork and Mindy. 1.55 Mork and Mindy. 2.25 Mork and Mindy. 2.55 Mork and Mindy. 3.25 Mork and Mindy. 3.55 Mork and Mindy. 4.25 Mork and Mindy. 4.55 Mork and Mindy. 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PAINTINGS

Old masters in great demand

BY ANTONY THORNCROFT

THE ANTIQUE trade is in a state of shock over the cancellation of the Grosvenor House Antiques Fair, the largest in the country, which was due to open this week. An industrial dispute at the hotel had led to picketing and the organisers were reluctant to jeopardise the works of art. But the cost in lost business will be tremendous.

The Fair attracts 30,000 visitors, many from abroad, and around £20m of the £40m worth of goods on display was expected to be sold. Since dealers acquire stock on credit many are left with expensive items which need desperately to find buyers. No wonder some of the 80 dealers are holding their own small exhibitions and anyone wandering around the Bond Street area, or Belgrave, will discover the leading antique dealers with much larger and more interesting goods on offer than usual.

The dealers in paintings are not quite so involved in the Grosvenor House (they will again be showing some of their choicest things at the Burlington Fair at the Royal Academy in the autumn), and, in the main, they are in good heart. Demand for paintings has grown steadily since the bad year of 1973, with many new buyers, who might in the past have collected prints, appearing at the £500 or under level.

The market at most price levels is very strong, and the tax cuts on higher incomes announced in the Budget should free a great deal of cash for buying pictures. At the moment the antique trade is getting it both ways—when the Stock Exchange booms some of the profit made is invested in art; when the economic outlook is gloomy art thrives as a good alternative investment. And London still benefits from its reputation as the centre of the international art market. We may not be active buyers for the highest priced paintings, but British expertise, and the dominance of Sotheby's and Christie's as auctioneers, attract to London the American, Continental and Japanese buyers of the top Old Masters and Impressionist paintings.



For the collector with £1m or so to spare: Fra Bartolommeo's *Madonna and Child with Saints*, which is being auctioned by Christie's on June 29. The painting is being sold by Lady Cook, widow of Sir Francis Cook.

They should be out in force at Christie's on June 29 when the best Old Master painting to appear at auction in two years comes under the hammer—a *Madonna and Child with Saints* by the Renaissance artist Fra Bartolommeo. It could sell for £1m. The fact that Bartolommeo, who a decade ago would not have been reckoned in the first division of artists, should command such a sum underlines the paucity of very best Old Masters appearing on the market. The museums have effectively creamed off most of the finest; Government controls prevent the export of national masterpieces and thus restrict sales; and the old British families who still own works by the acknowledged Masters are reluctant to sell: they know they are holding appreciating assets. If a painting of the quality of the Bartolommeo does appear there are enough well funded museums, both public and private, to make forecasting a price very difficult. At least there seems little reason why the Government should not allow it to be exported.

But it is not a one way traffic: over 40 per cent of the paintings up for auction in the Christie's sale will have come from abroad. A feature of the art market is not only its internationalism and the new dominance of museums over private collectors but the

breadth of demand. For a generation attention has been concentrated on the Impressionists; now the earlier periods are returning to favour. Italian paintings of the 17th century are a case in point, and Colnaghi has many on view at its summer exhibition opening next week. There are still areas which are a little over-looked—18th century portraits, especially when the sitters are unknown, can be acquired very cheaply, and French neo-classical art of the Napoleonic period remains out of favour. Some early panel paintings, which the museums are well stocked with, also offer bargains. But in the main the scramble is on for anything good.

One surprise is the keen interest in British art, mainly from nationals but also by continental collectors. A recent Christie's sale of Victorian art set many records, including an extraordinary £220,000 for an Arab scene by Lewis. As the pre-Raphaelites get too costly attention is switching to their drawings and to Victorian genre paintings. Roy Miles is holding his fourth annual sale of Victorian pictures at the end of the month and prices will be 20 per cent higher than a year ago. Even a relatively unknown artist like James Sant carries a price tag of £30,000 for an admittedly pretty painting of children.

While there is a readjustment at the top of the market, with prices, say, for Veronese much higher than in the past because works by Titian are no longer available, so there is a thriving business at the bottom end. The top dealers are not really interested in paintings under £500; they are not worth the trouble. So a new breed of collector, and more modest dealers, have stepped in, underpinning the market. The only sector where there are problems is the middle—in the £3,000-£10,000 bracket. There are a great many unattractive paintings, some by great artists, which fail to capture the imagination of buyers and which carry large costs in cleaning and

hanging. Many are over-priced because their owners, who were lured into collecting during the first investment wave of a decade or so ago, now expect a profit which just is not justified by the appeal of the pictures. Although the general tone of the market is good, some of the 19th century continental paintings acquired at excessive prices in the early 1970s would fall far short of such levels today. Investing in art requires knowledge and imagination as well as a hefty bank account.

If Old Master paintings of any quality are now beyond the reach of most private collectors, the same is not true of drawings and prints. Prices here have moved ahead sharply.

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culminating in the exceptional £640,000 for the Durer water-colour in last summer's von Hirsch sale at Sotheby's. But really attractive items by acknowledged masters are still available, and Sotheby's has a good collection of drawings coming up on June 28. But here knowledge or advice are essential, or, best of all, a sound aesthetic eye.

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Fine collections for sale

IN EARLY July Sotheby's and Christie's, in their annual week of summer sales of Impressionist and modern pictures, are disposing of two of the best private collections to reach the market for some time. Sotheby's is handling the dispersal of the Rosenberg family collection, with many works acquired direct from artists such as Picasso, Matisse, Leger and Braque, while Christie's sells the Mettler collection, acquired in the 1920s and including a Van Gogh which should make £500,000.

The sales are important because the paintings are "fresh": they have not been on the market before. If prices are up to forecast it will be confirmation that demand for good Impressionist pictures is back almost to the levels of the early 1970s before the first oil crisis frightened off the new collectors who had pushed prices up to exorbitant heights. Given the inflation since then, there must be many paintings that have not yet regained their purchasing price in real terms, but at least there is more confidence around. Impressionist, modern and contemporary art has always been a tickle business, with a high percentage bought in lots at auction, and artists moving quickly in and out of favour. But despite economic uncertainties the trend in recent months has been decidedly towards higher prices.

This is inevitable. The large purchasing funds of museums; the insatiable demand of Americans for modern art; the perpetual disappearance of the finest works into permanent collections which will never resell them, means that, unless

there is a desperate financial slump, the prices of the best 20th century paintings will go steadily upwards. But buyers are now more knowledgeable. There will always be the less good works of top artists that will either go cheaply or remain unsold. Even though the Japanese bought heavily at exorbitant prices a decade ago, there are no signs that they are off-loading their paintings on to the market. At the highest levels the tone is good.

It is the same throughout the market. In recent months British artists of the last 70 years have enjoyed a revival. Works by Sickert, Dawson, Russell Flint, Munings, and others are regularly setting records at auction, and although their prices are still low by international standards, and their admirers relatively few and British, it underlines the point that good works of art are getting progressively scarcer while the demand for them in an age of depreciating money seems certain to increase. And with contemporary British artists earning worldwide reputations while the New York abstract school is out of fashion and Paris is dull, there is a chance that British art will end up in international collections.

The confidence is visible in all the new galleries that are opening, catering for a young generation of buyers who can acquire something worthwhile for as little as £250. These are collectors who started by purchasing prints and have now made the progression. The recent trends in art have probably contributed to the brisker market: aggressive abstract painting is less fashionable and figurative, immediately accessible, art has

made a comeback. The reputation of London has been helped by the revival at the Royal Academy, which is now taken seriously by painters and offers a truly representative selection of contemporary art in its current Summer Show.

There is a tremendous gap between the small dealers and the main Bond Street galleries catering for a mainly international market, but they share one thing in common: they have to overcome the prejudices of the British about art. In this country paintings are bought out of income rather than capital, and although the investment possibilities have attracted a new breed of calculating rich men in recent years, the British, as a race, are not enthusiastic collectors. If anything the really rich might dabble in watercolours, but the active patrons of art are few and far between. It means a brisk trade for paintings below £1,000 which are necessary wall decorations, but at higher levels it is the Continentals and Americans that keep Bond Street in business.

Perhaps the younger generation will stay with their commitment to art. There is very much more interest and expertise around now, and the development of Sotheby's and Christie's into the largest auctioneers in the world has helped considerably to inform and encourage buyers. But the constant headlines about record prices can distort reality: 60 per cent of all items coming under the hammer are knocked down for less than £200, and each month hundreds of paintings pass through the salerooms for paltry sums. The dealers are currently antagonistic to the

salerooms. They are their best customers but they resent the way the auction houses are creaming off buyers, especially institutions, and ignoring the accumulated knowledge of dealers. It is not always realised that dealers will sell works on commission, too, often at a lower charge than the salerooms, and in recent months many collectors of art are noticing that prices of paintings at the galleries can be lower than in the auction room where, carried away by the momentum of the sale, buyers have been known to pay more than they intended.

The dealers have another complaint—against British companies, who ought to be replacing the private patron but seldom do. The Contemporary Art Society, a non-profit making organisation, is starting to advise more companies on art purchases and recently acquired 200 contemporary paintings to embellish new premises of De Beers, but the attractions in investing in art are not only to furnish offices but also to cheer up the staff and to build up some appreciating assets in a commodably chaotic way. Perhaps the commission charges that the dealers levy (they take anything between a third and a half of the price of a painting) has given them a doubtful reputation, and there are indeed many who are more concerned with their turnover than their commitment to art. A really good dealer provides an essential service for both artist and customer, and no one should be frightened away by the austere atmosphere of most London galleries. A.T.



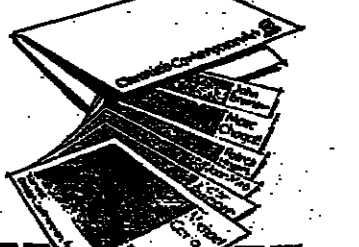
Renoir's *Le Pecheur a la Ligne*, which is being sold by Mr. and Mrs. Nigel Brookes in Sotheby's Impressionist sale on July 4. It is expected to fetch over £200,000.



Picasso's *Nu assis s'essuyant le Pied*, one of the Rosenberg collection paintings to be sold at Sotheby's on July 2. Pre-sale estimate is for a figure in excess of £200,000.

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BY C. P. SNOW

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Actually, though his judgement has always been independent and not excessively fine drawn, he is not like such a plain man as that stereotype suggested...



David Garnett literary inheritance

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Garnett makes his own judgements, usually surprising to the modish, and not surprisingly sees the genius in Wells. In this volume there is also an unfashionable tribute to George Moore so persuasive that one will have to look at some of Moore's books carefully...

It is agreeable, and characteristic, that in old age he

From Poland with love

BY GEORGE MALCOLM THOMSON

Joseph Conrad: The Three Lives by Frederick R. Karl. Faber and Faber, £12.50, 1,008 pages

How pleased Joseph Conrad would be today that the Pope is a Pole? Conrad may have been a Catholic with a somewhat tenuous hold on the faith...

Whatever he became—an English ship's officer, an English writer, a naturalised British subject, a man whose descendants are living in England...

His second life had begun. The third came 22 years later when he began to write his first novel, Almásy's Folly. By that time he had his Master's ticket and what was more important, an accumulation of stories drawn from his experiences of the seven seas.

What triggered his imagination as a writer was apparently a meeting with a Dutch planter in South-East Asia named Omeijer—'if I had not got to know Omeijer pretty well it is

of his father's defeated cause. He turned up in Marseilles, the scene of a still mysterious episode in his life: some involvement in gun-running to the Carlist rebels fighting in Spain; perhaps a love affair, a likely enough happening for which there is no real evidence...

He had begun to read Shakespeare in English, but he could not write the language. He spoke it, at all, with a strong Polish accent. And France and French culture was, then, the natural choice for a Polish emigré. However, in a spiritual experience as sudden and almost as overwhelming as Saul's on the road to Damascus, young Korzeniowski touched the side of the British ship Mavis in the port of Marseilles and was aware that some strange force had given a new tug to his career. He had fallen in love with England.

That he wanted to leave his home in "Russian" Poland is easy enough to understand: to say might mean military service in the Russian army. But why the sea? Unless it symbolised the most complete escape possible from the constrictions of life under the Tsar and, perhaps, from gloomy thoughts



Conrad: why did he go to sea?

almost certain that there would never have been a word of mine in print." This may be doubted. If there had not been that trigger there would, surely, have been another one. Conrad was an inevitable story-teller!

He had a powerful temperament; he was moody and deeply pessimistic, convinced that, however benevolent might be the intentions of the State, it must end in totalitarianism. "Socialism leads to Caesarism."

For reasons which are easy to understand, he was bitterly anti-Russian, which influenced his views on politics as well as literature. Dostoevsky, the most Russian of writers, was the novelist he hated most. Devoted to his English wife, Jessie George, dependent on her and rarely—if ever—wandering from the straight path, he gives the impression of having been

an unhappy man. Professor Karl, in this over-solemn, over-long, and very thorough study, combines not quite happily the role of biographer with that of critic. The result is that the book is confused; too much time is taken up with trying to relate the events in Conrad's fiction to the happenings of his life. However, this is the life of an intensely interesting man, and an unusual career.

The most endearing figure who emerges is Conrad's uncle and guardian Tadeusz Bobrowski, the Ukraine landowner who helped the boy with money and advice and, when he died in 1894, left him 15,000 roubles. The money came at a crucial time for Conrad, just then trying to finish his first novel. He dedicated it to his uncle.

Fiction

Fate of Flatfish

BY RACHEL BILLINGTON

When I Whistle by Shusaku Endo, translated from the Japanese by Van C. Gessel. Peter Owen, £8.00, 280 pages

The Japanese novelist Shusaku Endo has woven together two themes in When I Whistle. The first arises from a story of Flatfish, an unloving schoolboy whose love for an unattainable schoolgirl becomes the raison d'être of his short life.

One of the strengths of Endo's work is a simplicity and directness of style. It is always dangerous to comment on style in a translated work yet it seems to be an important aspect of Endo's writing. The deaths of Flatfish and Aiko are told with an unemotional economy of imagery which remains

sense which, if not as consistently powerful as his most famous work, Silence, has as much of importance to say.

Structurally, the two stories are linked through the person of Ozu who is both Flatfish's friend and chronicler, and the editor's father. The two themes draw even closer when the guinea-pig patient turns out to be Aiko, the object of Flatfish's love. The change in her role from deity to victim is subtly conveyed. Flatfish, with his foul smell, his "eyes bleary like a pop-eyed goldfish," his undersized physique which succumbs to pneumonia during the war may seem out to be one of the great heroes. But it is only very gradual realisation of his nature which is allowed to grow on the reader.

One of the strengths of Endo's work is a simplicity and directness of style. It is always dangerous to comment on style in a translated work yet it seems to be an important aspect of Endo's writing. The deaths of Flatfish and Aiko are told with an unemotional economy of imagery which remains

memorable. The after-taste of Endo's writing is often as potent or even more so than the immediate effect.

Leaving aside any possible distortion through translation (none was evident to me) the foreignness of the novel seems to give it an added dimension. It is most obvious in the Flatfish story which takes place against a background of World War Two. The horrors of the Japanese military system, though possibly no worse than anywhere else, are vividly portrayed. So are the Japanese class-barriers and the still relatively empty Japanese countryside. The freshness of background gives an additional freshness to the story for a Western reader.

In the modern hospital story, featuring the odious Dr. Eitichi, the spread of a uniform internationalism has swept away much of the strangeness of a foreign country. It may be that Endo is, to some extent, blaming the disintegration of human values on the new, Western-influenced standards. Endo who is immensely popular in Japan



Shusaku Endo: story - surgery

is a Catholic. Certainly there is an emphasis on the virtues of the past, particularly through the mouthpiece of Ozu, the narrator. However the presence of an unassuming Flatfish type, Dr. Hakara, who is banished to the provinces when he won't play the medical experiment game, makes this no more than one strand among many.

Storytellers of fantasy and chic

BY MARTIN SEYMOUR-SMITH

The Stories of John Cheever by Angela Carter. Cape, £8.00, 683 pages

The Bloody Chamber and Other Stories by Angela Carter. Collins, £2.95, 147 pages

The Grab by Maria Kazenbach. Granada, £4.95, 276 pages

Children Crossing by Verity Stewart. Cape, £3.95, 180 pages

The Last Enchantment by Mary Stewart. Hodder & Stoughton, £9.95, 458 pages

For admirers of John Cheever this bumper collection of all his stories is a bargain indeed. But I doubt if many will read the book through from cover to cover; they will rather take two or three stories at a time. These are—for better or for worse—formula. New Yorker tales: whatever Cheever wants to say or does say, he must do it with chic. Reading right through this volume is a monotonous exercise. But dipping into it is at least entertaining.

East Coast American sophistication can be a curious phenomenon. It has style, but it is not always educated. Many of these stories are about Americans in Europe, particularly in Italy—and about Europe, particularly Italy. Cheever is massively unconvincing. And does he himself—or does his protagonist—think that the Manchester Guardian is a "conservative newspaper"? Cheever can satisfy an audience who "do" Europe, but who fail

to take it in: readers who belong to it will often be disappointed.

A critic has said that Cheever has "seen through the glossy surface of prosperous America." One has to agree. But how deeply has he allowed himself to dig below this surface? Not very deeply, but it must immediately be added, very charmingly. To the false values of the well-heeled suburbanites whom he satirises (but for whom he writes), he opposes a set of decent, old-fashioned precepts: stout-heartedness, love, "a world that lies" (he tells us) spread out around us like a bewildering and stupendous dream. "This is not saying much, and what he is offering his readers is no longer available in the forms that he is offering it. And so he is at his very best when he is being funny, as in 'The Music Teacher' or 'The Chimera'."

In the first of these stories a man discovers the marital solace which lacks when he starts taking music lessons and "practises" at home. But even this story is spoiled by extraneous detail about the teacher herself. Why, then, is Cheever better than he should be? I think the answer is that his observation of his characters' habits is meticulously accurate and, above all, honest, comic though he often is. A sincere gloom pervades his stories—a gloom generated by his realisation (largely unconscious though this may be) that the "old values" don't persist. That is a great deal.

Angela Carter's tales in The Bloody Chamber try to simultaneously provide a mixture of old fare—Gothic, fairy stories, animal lore—and to examine its appeal. This is a courageous exercise, and she writes very well and fluently, with an intuitive understanding of her material. But there is, inevitably, much pastiche: we are too often reminded of Poe, Potocki, Apollinaire, even Bram Stoker, and of many others (tribute to the author's immense knowledge). Angela Carter employs a number of different masks in order to narrate these tales, and some of them are too merely mechanical. They do not function as an organic part of the stories. The Bloody Chamber is a tour de force all right, and one to be proud of; but it is little more than this. The material needs to be assimilated, and to emerge in a quite different form. But this is judging from high standards: no one who enjoys Gothic should miss the book.

particularly about how they have gained an identity away from their family; the author shows, with some salutary ruthlessness, how closely bound up such seemingly extra-familial identity is with the past, with the original family membership. The Grab is an impressive and confident first novel. Verity Bargate's second novel Children Crossing is even better than her first: tense, taut, bleak, truthful, utterly shocking. Its plot is so much a part of it that it would be wrong to say more than that it begins with a young woman taking her children to Cornwall because she has discovered a love-letter in her husband's pocket. Both the husband and the wife are living in a world of brutality and deceit: what is truly shocking is that it hardly matters whose version of events is the right one—but the children do matter. The end is so horrible as to be disturbing—disturbing because one cannot dismiss it by accusing the author of being nasty for the sake of being nasty. There has been no better novel of understatement since the first novel of Paul Bailey.

Mary Stewart's The Last Enchantment is narrated by Merlin, and tells of King Arthur's struggles with forces even more menacing than the Saxons. The writing is lush ("A moment of quivering stillness") and people do not "draw" their clothes about their necks, but "gird" them. But Mary Stewart keeps it up, and has worked hard at it. It should prove deservedly popular among those who enjoy honest romance.

Pulling away the cloaks and daggers

BY ROBIN LANE FOX

The Victorian Historical Novel by Andrew Sanders. Macmillan, £5.95, 260 pages

It is not easy nowadays to admit to writing historical novels. Reading them is common enough, to judge from the tirades which give them two-thirds of all hardback fiction titles. One cannot help watching them, if only through serials, high the BBC thinks to be routine history. Serious novelists' dislike for the genre is quite recent and orthodoxy pondering. Largely I think, it is the consequence of reader demands from history itself. Mr. Sanders has thought and pungently about the unities of a whole cluster of 19th century historical fiction. He suspects that even that curious *Romola* may be seen by our children as Eliot's masterpiece. If so, they will simply be wanting to say something new, and his judgement is brisk and illuminating. If you feel like a

tour of these neglected books, he is a vigorous guide to the course. At times I wish he had said something about the sort of history-writing with which his chosen authors coincided. What, for Kingsley or Thackeray, counted as a true and perceptive portrait of a past age? Moral dilemma, I suspect, and a detailed canvas of everyday life, covered with the obsessive minutiae of Bulwer Lytton's *Last Days of Pompeii*. Hence, the cardboard staging to so much of the most explicitly "historical" fiction. History itself lacked a sure social sense. But as he reminds us, the historical novel covers a wide range from private to public settings, historical heroes or marginal narrators, books with history's great events at the centre and books which explore the impact of distant rumblings on private lives.

He has some acute things to say on Dickens, not least on *Barnaby Rudge*. His appreciation of Mrs. Gaskell's *Sylvia's Lovers* makes me keen to read it. By

studying Hardy's *The Trumpet Major*, that other novel spun round the roughness of the naval press-gang, he reminds us how easy it would be to omit Hardy altogether from the class of historical fiction. *The Dynasts*, of course, excepted. The worst novels, perhaps, are more arresting, because they are more firmly embedded in the genre. Bulwer Lytton's *Harold* and Kingsley's *Hereford* are brought neatly into line with Victorian myths about the Norman conquest. That deserving pair, Newman's *Callista* and Kingsley's *Hyppatia*, take on a clear light to this impact on European readers. Mr. Sanders's tour through his legacy heights respect for the man who began it all.

most rewarding of the lesser lot, not least for its flashes of vivid landscape, a quality common to the best in its class. The fens of Ely, the melancholy of late Roman Egypt: these qualities, among the authors' projections of their own age into the past, do give their books a lasting compulsion. The virtue would not be lost, say, on Mary Renault, its modern exponent. But it also helps one see just how brilliant was that master of the neutral hero caught in history's great events, Sir Walter Scott. The more you look at his heirs and rivals, the less the surprise in his fertile impact on European readers.

Ballet for New York

BY CLEMENT CRISP

Thirty Years: Lincoln Kirstein's The New York City Ballet. A & C Black, £7.50, 398 pages

"Over the last half century, the academic classic dance has been in the custody of a single person. Before him, Marius Petipa held the same position for a similar tenure. Few have matched Balanchine in capacities either to extend the idiom or to assemble steps which hold interest, both for dancers and for their audiences, over so extended a period... What Balanchine has been able to do is to take the academic skeleton and, without essential repudiation, re-form it by extension, and re-clothe it in novel mesurings and surprising release. This exercise amounted to a re-constitution, a propulsion past the capacities of previous practitioners."

Thus, near the very end of his revised and extended history of the New York City Ballet, Lincoln Kirstein encapsulates Balanchine's achievement. And in so doing, indicates his own

achievement as right-hand man, Maecenas, uncompromising idealist about the classic dance in America. This essential book appears as a harbinger of the great company it celebrates, due at Covent Garden in September—the dates, for everyone's diary, are September 4-22 inclusive. I make no excuses for sounding like a publicity hand-out, for I make no secret of my love for the company itself, which satisfies my deepest feelings about dancing as only one other company—the Kirov—can. (And what, sudden thought, would the Kirov be like now had Balanchine remained in Leningrad?)

Kirstein casts this book for the greater part in the form of entries in a supposed diary, which he amplifies thus providing the most inside-of-inside views of how a ballet company works. These are, in fact, the existing text from the grand picture-and-narrative history of NYCB which was published here in 1973. A 'post-script' of another 120 pages brings the story up to date, the date being 1978 and NYCB's 30th birthday.

The Nature of Mass Poverty by John Kenneth Galbraith. Harvard University Press, £4.95, 150 pages

This book is a re-written series of lectures, which originates from Professor Galbraith's post in the early 1960s as President Kennedy's ambassador to India. Galbraith begins, as we have come to expect, by attempting to debunk the conventional wisdom of his fellow economists, but this time the epigrams are surprisingly muted. He dismisses the lack of natural resources, capital, or of educated manpower as explanations of poverty, and does not accept evidence suggesting that it might be due to race, climate, system of government, or terms of trade.

Galbraith's own, supposedly unconventional view is that poverty—of less developed countries rather than of poor minorities in advanced countries—is explained by what he calls "accommodation." People are poor because they accept their poverty. This explanation is open to the same charge of circularity that Galbraith brings against more orthodox theories. It is "qually true that people accept their poverty because they are poor. As Galbraith admits, even if they did not accept their poverty, for most of them the only difference would be that they would change from being poor but happy to being poor and unhappy. The author's two main proposals for combating poverty by preventing "accommodation"

turn out to be education and migration. Education both makes the poor disoriented and, sometimes, equips them to rise out of their poverty; Galbraith thus has to fall back on one of the standard insights rejected at the outset of his analysis. Migration, either from country to city, or from poor to rich countries, has reduced poverty in certain cases. This Galbraith holds to be a most important, and unjustly neglected conclusion. But it is doubtful how much weight should be put on it. Internal migration substitutes urban for rural poverty, while international migration drains poor countries of brains, it has been argued. The movement of capital into poor countries probably adds more to human welfare than the movement of labour out of them.

Galbraith has been looking at the economics of development upside-down. Economists from Adam Smith onwards have generally found it more illuminating to ask what causes the wealth of nations, not what causes their poverty. Poverty needs no explanation, save an account of why economic development has failed to "take off" in a number of hard cases. Chief among these are the densely populated countries of the Indian sub-continent. Professor Galbraith's Indian experience has given him a slant on poverty which ill equips him to explain how it is that the majority of poor countries, however slowly and unequally, manage to become less poor. CHRISTOPHER JOHNSON

The Victorian Railway Murders by Arthur and Mary Sellwood. David and Charles, £4.95, 160 pages

Open-plan rail carriages with safety alarms in easy reach have done as much to cleanse the British Way of Death as non-toxic gas in the kitchen. Victorian rail-travellers, shut in their claustrophobic compartments, never knew when they might meet their murderer. Each violent incident provoked violent public outcry. The vulnerability of passengers became a matter for debate in Parliament and the Press. Forcing the rail companies to introduce many safety measures we take for granted. Railway murders also affected the course of justice. The execution of Thomas Muller in 1868 was the last to be held in public, and then only because unruly crowds made it no longer a good idea—a fine comment on Victorian attitudes. JOHN DUNSTAN

Perverse and Foolish: A memoir of childhood and youth by L. B. Boston. Bodley Head, £4.50, 138 pages

Lucy Boston sought a Bohemian way of life. At school she earned the reputation of "convention-breaker"; at Somerville, Oxford, where she survived the first two terms only, she despised the earnest, middle-class atmosphere; at Cambridge she fared no better and was sacked from Addenbrooke's Hospital for conduct unbecom-

ing in a "decent girl." Spurred on by this slight to her character she went to France to help the war effort in a military hospital; where her buoyant spirits were a tonic for the wounded soldiers. KATE MORRISON

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The Lady and the Duke

A DRAMATIC week has been dominated, though from the background, by two figures, one very real and one mythical. The Budget, with its bold and possibly risky strategy of going straight for the main Conservative objectives, carries the clear imprint of our very determined Prime Minister. In the markets the effort to assess the risks involved has been complicated by new and somewhat rowdy manoeuvres of Mr. Denis Healey's long-serving financial general, the Grand Old Duke of York. Indeed, there is some fear that his manoeuvres could add to the risks of an already bold policy.

Mrs. Thatcher's determination seems to have inspired some of her supporters with a mixture of admiration and dismay. She has decided to use the momentum of her election victory to enact immediately some of the most supposedly offensive parts of her programme—notably the overdue reduction in the higher rates of income tax. At the same time the first stage of the shift from direct to indirect tax at less exalted levels has been financed by a rise in VAT which will add some 3 per cent to consumer prices, and a squeeze on the finances of the nationalised industries which will add some more.

The straight political risk of a confrontation with the unions over policy is already beginning to look rather fanciful, in spite of some predictable rhetoric, the TUC is not in the business of upsetting newly elected governments fulfilling their declared pledges.

Next wage round

What is much harder to assess at this stage is the impact of the Budget on the next wage round. Although the addition to prices from higher VAT is one-for-all—a good reason for making the change in one step—it has never been easy in the past to persuade negotiators either to bargain in terms of take-home pay rather than gross pay, or to take into account the expected future rate of inflation rather than the current rate.

It is as true as it was last year, when Mr. Callaghan launched his ill-fated campaign for a 5 per cent norm, that moderate settlements would do more than anything to help start whatever kind of economic miracle is possible in a crisis-ridden and possibly depressed world economy. This government, however, is trying to achieve the change through monetary discipline rather than through speeches.

This policy inevitably puts employers in the front line. The equity market has acknowledged

what could be a very uncomfortable prospect by sobering up sharply: it had fallen 10 per cent from its pre-election peak by Budget day, and has fallen another 4 per cent since—despite the recovery yesterday. The gilt market has also naturally fallen since the 2 per cent rise in Minimum Lending Rate—an expression of monetary determination which seems to have taken investors completely by surprise, but has been pretty steady since, and has taken the Government new demands for a further £1.8bn of funding remarkably calmly.

The prospect now for interest rates, for sterling, and for the capital account of the balance of payments are in fact as good as the success of Mrs. Thatcher's general strategy as the prospect for wages. These questions are, if possible, even more difficult to assess.

Two factors

Monetary policy must take account of two factors: the reasons for the borrowing boom, and the Budget balance. The rise in bank lending to an annual rate of well over £8bn in recent months would be deeply alarming if it were a long-term phenomenon, and the Chancellor felt it necessary to attack it directly for understandable reasons; the question is whether the need for such rates will be more than very temporary.

If the demand for loans quickly relapses after the pre-Budget spending spree is exhausted, the pressure may soon be relaxed. This would be far more certain, however, if the Government's own demands for credit—£8.3bn, after raising £1bn through asset sales—were a little smaller. Only time will show whether Sir Geoffrey Howe has fallen into Mr. Healey's perennial error, and brought fiscal "ease" at an excessive cost in tight credit.

What is certain is that the present squeeze is costly in other ways. Industry must pay higher rates; and these rates have also attracted foreign capital, driven sterling upwards, and tightened the competitive pressures still further. The new tap stocks tell the story: the short tap, yielding well below current money market rates, expresses the Government's hope that it will soon be possible to relax; the long, which will cost £125m a year to service at the tender price, shows the large sums still on offer to the Grand Old Duke and his troops to achieve monetary control.

If the resultant pressure on industry, on the trade balance, and on the taxpayer is to be reduced, it is much to be hoped that this is his final appearance.

THE STORY SO FAR...

It was three years ago that we last shared the secrets of Anne and Peter's family accounts. Since then they have moved

house and Peter's career has had a temporary wobble. One thing has not changed, however. Our heroes still struggle close to the edge of financial disaster. The rate demand awaits an

answer and the Chancellor's reliefs lie some weeks into the future. As the rain drenches Peter's vegetable patch outside, the couple sit indoors and work out the bills. Now read on...

The not quite so good life

ARTHUR SANDLES revisits Pete and Anne, and their battle with the cost of living

THE FAMILY BUDGET

| | Was (May '76) | £ per month is | Expected |
|---|---------------|----------------|----------|
| Housekeeping | 110.00 | 170.00 | 195.00 |
| Mortgage | 76.30* | 104.50 | 110.00 |
| Rates | 26.59* | 16.91 | 18.38 |
| Water Rates | 3.98* | 1.73 | 1.73 |
| Education | 9.90* | 42.00 | 50.00 |
| Clothing | 25.00 | 37.00 | 42.00 |
| Car | 45.00 | 65.00 | 70.00 |
| Holidays | — | 30.00 | 45.00 |
| Heating/cooking | 17.20 | 21.00 | 21.00 |
| Electricity | 10.00 | 10.00 | 10.00 |
| Insurance | 15.00 | 15.00 | 15.00 |
| Telephone | 7.50 | 12.50 | 12.50 |
| Season ticket | 28.50 | 53.50 | 53.50 |
| Allowance | 30.00 | 40.00 | 44.00 |
| Misc. (House maintenance, garden, children's pocket money, entertainment) | 30.00 | 45.00 | 47.00 |
| Total expenditure | 519.07 | 664.14 | 735.11 |
| Income (monthly, net) | 520.00 | 665.00 | 681.62 |
| Balance | 93 | 86 | -54.11 |

* Not strictly comparable because of a move to a more manageable house.

Additional supply

The family may need this additional food supply over the coming weeks if the calculations are correct. In past months a notably unwelcome blow has been the length of the winter, which has burdened the family with a much higher gas bill than expected. Anne shops with a degree of caution, usually at Waitrose, but this Spring has had to cut back on a normal yearly indulgence in English lamb, something of a family favourite.

Anne's £170 a month has to cover food and normal domestic purchases as well as small items of clothing. Anything in the clothing line costs more than a couple of pounds comes from central funds. Shoes have been a major item recently with Anne being appalled by the £15 or more she has to pay for them now that the children are more adult than infant. Her own clothing allowance and pocket money in theory is also part of the housekeeping, but the balance is erratic and she is not particularly well dressed. She usually goes on one major food shopping expedition a week, spending between £20 and £25. After that it is a question of topping up and some mid-week meat or fish purchases.

The couple entertain about once a month. Peter is expected to provide the wine from his resources and also give a little back and forth along the A25. A trip which Peter reckons he will be undertaking less and less as the price of petrol mounts.

worrying. Neither of them now smokes, although this was not always the case, and their consumption of hard liquor is sufficiently modest to be largely catered for by the odd bottle that comes Peter's way at Christmas.

It was a pleasant surprise to the couple when they moved to Guildford to find their rates bill fell sharply, but it is now climbing back up again. Guildford Borough rates last year were 72.44p in the pound and have risen to 78.65p, a sum which Peter has yet to include in his monthly figures since he has yet to pay the bill. To the basic borough figure must be added a small parish rate and, of course, the water rates. When Peter moved, he managed to convince his building society that his financial difficulties meant he simply had to increase his mortgage, which thus rose from £8,000 to £10,000. It is a modest enough sum, thanks to them being of the age which put them on the first rungs of the housing ladder in the early sixties, but it is still sufficient to provoke a wince when thoughts of an increase in interest rates occur.

Peter is hoping against hope that the present level of MLI will not survive for very long and that building society interest rates will not soar too rapidly, or too high. Nonetheless, he is making provision for

a rise later this year. Making provision is a strange way of putting it, since Peter is heading for a horrid shortfall in his domestic cash supply. The reason for this is that he had his last salary increase 10 months ago. Even with the tax changes he reckons to need more than 10 per cent just to stand still at present prices. Peter prefers not to think about that sort of thing. Discussions have been going on over the annual pay review within Peter's present City employer and, who knows, he might be in for a windfall.

Change cars

But Peter is going to need more than a windfall if he is going to change cars in anything like the near future. A couple of years ago he paid £1,900 for a Chevette which was then a year old. It is now coming up to its MOT time and Peter has a nasty suspicion that he ought to buy a couple of new tyres before submitting it to examination. There is no question of his dashing out today and trying to beat the Budget VAT increases by buying a new car. Indeed, there is not much risk of his dashing out even to buy new tyres. Running even a Chevette

these days is a pricey business when there is no company support whatsoever. Although the AA might reckon that the true costs in Peter's case are around 15.6p a mile and rising rapidly, Peter is making very little allowance for replacement. He has been extraordinarily fortunate so far in that since he bought the car he has never faced a major repair bill. By some standards the 6,300 miles they have driven in the past 12 months are modest, but Peter goes to work by train and Anne not the most enthusiastic of drivers.

Subsidised canteen

The car might be expected to do more mileage than usual this year, since, at the moment, the couple plan to take the family on a Canvas Holiday trip to France. Under the scheme they get a multi-roomed, pre-erected tent and all necessary supplies in France for a base of £250 for the week. The money they are putting aside for even his modest venture is likely to prove insufficient and Peter is going to have to make further contributions. This is probably the last holiday they will have as a family: Mark is already a little unhappy about coming along.

Peter sets his own allowance at £44 a month, separating it from miscellaneous expenditure, even if this separation is only theoretical. Peter in fact meets demands as they arise and as he times in his company's subsidised canteen, or at business lunches where he is more often the guest, and he only goes out to a pub three or four times a month—the news that Guinness night top 51p a pint next week has not come as a pleasant surprise. At the moment Jane gets £2.50 a week in pocket money and is a determined saver of birthday and Christmas cash for the fashion items in which she is increasingly interested. Mark's pocket money tends to be given in larger sums less frequently and is adjusted to the family budget—good training for the trials and tribulations of the future, says Mark; bad management, says Peter.

A major item in the family petty cash is newspapers. Magazines are bought intermittently and on impulse. Peter's FT at 15p a copy is bought by his company and he supplements it from time to time with a 10p Telegraph. Neither time nor rising prices have detached Anne from her Guardian, but at 15p a day it is proving a costly way of keeping her social conscience supplied with fuel for argument. They have a colour television, a small Sony bought with Christmas bonus cash.

In his previous job Peter was able to reduce the cost of his season ticket to some extent by

borrowing the money required for an annual one from his company, interest free. For the moment this facility is not available in his present office and, in the absence of sufficient funds to make such a purchase himself he has been buying monthly tickets. He journeys each day from Guildford via Southern Region and the Drain to Bank. For the moment he is hoping the season ticket rate will hold firm until the winter at least. He is also hoping that his employer will change his mind about backing a 12-month ticket purchase. He goes to the station by car with a neighbour—with the neighbour's wife as chauffeur.

Although his company might not be eager to lend him the cash for his season ticket, there are other ways in which they are helping. Pension scheme is not contributory, a fact which which he comforts himself when others point out that he would seem to be under-insured. They also run a wine buying club, enabling Peter to live at a level he might otherwise not achieve. He managed to buy in a couple of cases of claret just in time for the Budget speech and at the rate Anne and Peter consume the stuff that should keep them going for a couple of months at least.

The other summer expense is tennis, a game keenly pursued by the whole family. This year, again, the rain has rather hampered them getting into the swing of things, but Anne has also helped Anne put off the purchase of a new racket which at the end of last season she had come to regard as a necessity.

Getting out and about

All is not woe and depression in the house, however, and there is still a modest amount of getting out and about. Why, even tonight you might find them at the Withles Inn at Compton, which has the sort of cosy intimacy which reminds them of their younger, pre-children days. It also has the added advantage of not being very far from home, just in case Peter should have trouble again getting fuel for the Chevette.

But, as Anne says brightly, Surrey's fuel worries might be over. She reads from the Surrey Advertiser: "The worldwide hunt for liquid gold is bringing all prospectors to Surrey amid fears that their work could change some villages in the county beyond all recognition. . . . The very thought that the boggy patch in the bottom corner of the garden that presently threatens to drown Peter's collection of roses might actually be hiding a crock of 'liquid gold' cheered him up somewhat. He'll probably do some digging after all—even if it is still raining."

Letters to the Editor

Money

From the Vice-Chairman Greater London Young Conservatives

Sir—The invigorating budget introduced by Sir Geoffrey Howe is to be welcomed by everyone concerned with the long-term future of our nation. Rolling back the frontiers of the state, reducing the Government borrowing requirement, returning reward for responsibility and risk and replacing state decisions by individual choice now become realities.

One area however that still remains of concern is that of controlling inflation through limiting the money supply.

Although Sir Geoffrey aims to limit monetary expansion to between 7 per cent and 11 per cent, it is necessary now for further consideration of the definition of money and its supply. Unless the definition of money is correct, the monetary controls implemented will ultimately prove ineffective. The whole UK banking and credit structure is based on the notes and coins in issue. Reference to M1 or M3 is therefore, in the final analysis, irrelevant to the question of increases in the money supply and inflation. M1 and M3 are indicators of the velocity of circulation, the circulation of interbank deposits and the creation of credit based on the increase in the note issue. Sir Geoffrey should see through the double and triple counting of money as defined in M1 and M3 and reconsider M (notes and coins in issue) as the true definition of money. Charles Smedley, 25 Bolton Gardens, SW5.

Employment

From Mr. R. MacI Sir—Professor Sandford (June 13) suggests that the Chancellor has increased VAT as an alternative to the National Insurance surcharge favoured by his predecessor. This

assumption seems to have been made by every other commentator.

The NI contributions table my firm has to operate for 1979-80 is at precisely the same level as the "surcharged" contributions of Mr. Healey. Clearly there is no intention to amend them. Sir Geoffrey has in fact financed his budget with increases both to indirect taxes and to employers' insurance contributions.

The well-publicised gestures of assistance to small firms and expensive programmes of employment subsidy which both Governments have financed have been nullified by this hidden, but direct, tax on employment.

Roger Macy, Black Jack's Mill, Harfield, Middlesex.

Charity

From Mr. J. Strauss Sir—The Budget encourages us to use our discretion as to how to spend our taxed income. For some people it will provide substantial tax savings. On the other hand the Government and local authorities will have to cut their allocations to many deserving causes.

I therefore suggest that those who benefit substantially from the reduction in taxation should support to a greater extent charities of their choice through endowments, charitable trusts or similar methods. Through force of circumstances these traditions have been greatly neglected in recent years. It is high time that private initiative is seen to play a more active role also in this field. Julius Strauss, 31, Ramulf Road, NW2.

Petrol

From Mr. H. Posselt Sir—The international scramble for oil is not only aggravating the present shortage but playing directly into the

hands of the Organisation of Petroleum Exporting Countries most of whose members are taking advantage of the situation and raising the prices for crude oil.

The United States of America, Japan and the five major Western European powers absorb about 70 per cent of all oil shipped by the producing countries. If the above seven major consuming countries would join hands and set up a joint purchasing and distribution organisation it would immediately put an end to these countries out-bidding one another and ensure an equitable sharing out of available supplies, possibly based on the last six months' importation of member states. Such an organisation might well be known as OPEC. Organisation of Petroleum Importing Countries.

If OPEC were well supported and operated it could result in stabilising prices and might in due course even persuade OPEC to consult OPEC on future price structures. Herbert J. Posselt, P.O. Box 53973, Saxonwald 2132, South Africa.

Touring

From Mr. J. Souler Sir—I refer to the piece by James McDonald on June 9. Having just returned from a holiday in Cornwall, the information given by both Mr. Peter Chester and Mr. Francis Hodskins, in my experience, misleading. The current situation is that petrol companies are providing 90 per cent or so of the amount supplied to garages at the same time last year. This allocation means that garages in holiday areas receive amounts based upon their previous "regulars" plus "holiday" traffic.

During my visit, at least 50 per cent of the garages were supplying "regulars" only. These garages were meeting 100 per cent of their regulars' demand

(which may well be 110 per cent of last year's off-take). Depending, therefore, upon the ratio of "holiday/regular" traffic, the amount of petrol available to holiday motorists could well be only 70 per cent, or less, of requirements.

This shortfall gives rise to a genuine petrol shortage as the holiday motorists are concerned and I feel that you should make it clear to tourists that they may well have to curtail the use of their cars when on holiday in the West Country. J. B. Souler, Millstone II, 19, Hobsons Close, Roselands, Hoddesdon, Herts.

Mails

From the Director General, Office of Fair Trading

Sir—I was interested to read the letter (June 13) from Mr. M. E. Corby, executive director of the Mail Users' Association, about my lukewarm reception to the launch of Post Office's new codes of practice. I fully appreciate that the ordinary mail services are not intended for the transport of valuables but I still think that a limit of £12.50 for ex-gratia compensation is grudging because the market value of many items normally sent by ordinary mail, such as a book or a toy sent to someone for Christmas, may nowadays be more than that.

Mr. Corby overlooks one of my major concerns, namely, that the loss of correspondence, e.g. a job application, the return of a signed contract or a letter concerning travel arrangements, can have financial implications going well beyond the market value of the letter itself. Yet even if the registered post is used, the Post Office will provide no compensation for consequential loss, not even up to a limited amount.

My office was involved with the discussions leading up to the launch of the codes and they are certainly a major step forward. I felt, however, it would have been less than honest to express wholehearted enthusiasm for them in their present form. Mr. Corby believes the codes should be given a fair trial and assessed after 12 months. I have already said I intend to study the first year's workings of the mail and telecommunications codes. Their strengths and shortcomings would then be more apparent. Gordon Borrie, Field House, Bream's Buildings, ECA.

Conveyancing

From Mr. A. Roper Sir—Why should Justinian (June 11) take the view that if the Royal Commission on Legal Services were to report that the solicitors' conveyancing monopoly should not only be preserved but strengthened this would be met with wide disbelief? Surely any discerning person would take the view that consumers should be properly protected where attention by a qualified technical expert is necessary and that consumers should not be left to the mercy of unqualified cowboys?

There have been a number of recent surveys which indicate that the vast majority of solicitors' clients are satisfied both with their solicitors' conduct in conveyancing transactions and also with the level of charges. It will also no doubt be recalled that when the Royal Commission on Legal Services was first set up it was welcomed by the Law Society as the profession has nothing to hide. Generally it is only certain sections of the popular Press and the media which take an opposite view from time to time for purposes of sensationalism coupled with certain outspoken left wing Labour MPs who are blinded by their own Socialist dogma to such an extent that they are prepared to throw away the consumer protection afforded by the control over solicitors, their qualifications and their conduct exercised by the Law Society as a governing body in the public interest.

Alan D. Roper, Court Chambers, 3, Victoria Street, St. Albans, Herts.

seems that certain trade unionists have cultivated ideal accents and styles of speech for their suggested roles. Antonio Xisto, Bulls Hill, Chobham, Surrey.

Debate

From Mr. A. Xisto Sir—All government rests upon consent and it is clear that trade union participation in government policy-making has become a condition for the consent of the unions. There is again talk of reform of the House of Lords and a changing role for the second chamber. The idea of all union leaders taking seats in this chamber along with existing members who have not departed for Europe would seem to have much to commend it. Certainly the democratically elected Government of the day would function under less duress if consultation with union leaders were to be carried on within Parliament rather than in lengthy confrontation with Cabinet Ministers or in TV interviews.

Peetages need not of course be bestowed upon union leaders in case this should be misinterpreted by union members. The cut and thrust of debate and the time limits involved in Parliamentary procedure would have a salutary effect on what are often needlessly lengthy and repetitive arguments. It even



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Jeff Smith

Agonising decisions ahead

SENIOR trade union official, confronted with the Government's plans for Civil Service manpower cuts, observed that their effect would probably depend on whether "the surgeon's scalpel or the butcher's knife" is used.

In certain areas the Government may ultimately have little choice but to wield the butcher's knife if its target for reductions in manpower is to be met.

Local authorities may face increasingly agonising decisions if supplementary rate levies are to be avoided this autumn and own-hall coffers are either empty or regarded as sacrosanct.

While the cost-cutting exercises which have begun in both central and local government are different in many respects, the choices facing the political masters in Whitehall and in the council offices are similar.

In both cases a high degree of political will is essential if public expenditure is to be cut—despite the inevitable deterioration in industrial relations, as well as the consequences for the services provided to the public, which will flow from the cuts.

In seeking a review of staff in individual departments, and by selecting a range of possible target savings of between 10 and 20 per cent—the Government has indicated that there is a degree of flexibility in deciding where and how the cuts must fall.

Certainly this approach has the support of senior civil servants who appear to be approaching the task with a degree of enthusiasm—in spite of the doubts of some other people about whether civil servants are best suited to the job of cutting their own departments down to size.

The operation of identifying areas of waste and areas for supplementary savings will give civil servants the opportunity to voice concerns about aspects of a complex system of govern-

ment which have worried them for some time.

For example, one can assume that senior civil servants in the Department of Health and Social Security will again set out the case for simplifying the present system of supplementary benefits.

In addition, although civil servants are at pains to stress that the ultimate choice of which services and jobs must go will rest with their political masters, the exercise will enable them to "catch the ear" of Ministers and to advise in advance of the final analysis the key to the success or failure of the exercise will be in cutting manpower.

Nevertheless, although there will have to be decisions made on how far services provided by central government can be reduced or ended altogether, in the final analysis the key to the success or failure of the exercise will be in cutting manpower.

The 1979/80 Civil Estimates included provision for £3.4bn to be spent on civil servants' wages and salaries—£200m more than the year before—but the starting figure for the proposed cuts must be adjusted to reflect the level of wage settlements, the cash limit provision, the cost effects of a current degree of understaffing below establishment figures and the recruitment freeze already introduced.

After allowing for these factors the base figure against which the cuts will be judged is probably around £3.64bn, of which some £340m is directly attributable to the civil service pay award.

Civil Service manpower—currently 566,000 non-industrial staff and 167,000 industrial—has fallen slightly during the past two years. But since 1974

there has been an overall increase of 5.6 per cent—38,752 staff. This moderate increase hides a more significant increase in the number of non-industrial civil servants which has grown by 10.7 per cent since 1974 and 1975—54,733 staff—while the number of industrial civil servants, almost 95 per cent of whom are employed by the Ministry of Defence, has declined by 8.7 per cent (15,941) over the same period.

Taking both industrial and non-industrial civil servants together, the fastest-growing department over the past five years has been the Department of Employment. A 58.6 per cent increase in the department's staff partly reflects an increased workload, for example, caused by Britain's higher level of unemployment, and partly the transfer of staff from other departments to the Health and Safety Executive.

In the Departments of Health and Social Security, Inland Revenue and the Home Office the staff increases between 1974 and 1979 have all been more than 20 per cent. This is because of the impact of new legislation—including tax changes—and of greater workloads, for example, on supplementary benefits.

The fact that much of the increase in fast-growing departments is related to the greater workloads imposed primarily by government on the service will be a factor in the attempts of the present administration to trim the bureaucracy. The freeze on recruitment and promotion introduced by the Government last month and designed to achieve a 3 per cent cost saving this year will, it is claimed by senior civil servants, simply trim what "fat" exists.

The Service is currently 12,000 below establishment levels (1.6 per cent of the total workforce) and therefore a

target saving of 22,000 jobs implied by the recruitment freeze should be achieved fairly easily given natural wastage rates of around 60,000 a year.

Although this rate of natural wastage is expected to slow down as a result of civil servants' salary increases it is unlikely that it will fall below about 8 per cent a year.

There is also, however, a desperate need actually to recruit more civil servants in certain key professional and technological areas. For instance, relatively poor pay rates have been blamed for a failure to attract sufficient accountants, vets, computer personnel and other specialists to the service.

Nevertheless over and above the 3 per cent saving target already set, any additional cost savings will only be achieved at the expense of services currently provided by civil servants. This fact has been recognised by Lord Soames, Lord President of the Council and the Minister in day-to-day charge of the Civil Service Department.

Central government currently provides about 61 per cent of the £11.1bn "relevant" local government expenditure through grants. Relevant expenditure comprises total budgeted expenditure excluding items met almost entirely from central government funds such as mandatory grant awards, rent rebates and allowances, housing subsidies and consumer advice centres together with loan charges and capital expenditure met from revenue.

The introduction of cash limits to allow for price and pay inflation in the year to which a particular grant settlement applies has introduced a further element of central government control over local authorities.

The Government has sought to exercise its financial control over the local authorities in two ways.

First, it has "requested" them to freeze manpower requirements and cut manpower where possible. Behind this "request" is the implicit threat that local authorities which fail to respond will face financial penalties in the next share-out of grants in November.

Secondly, the Government has told local authorities that it will

cut £300m, and perhaps more, off the extra amount it was due to pay them to cover its share of wage settlements in the local Government sector this year.

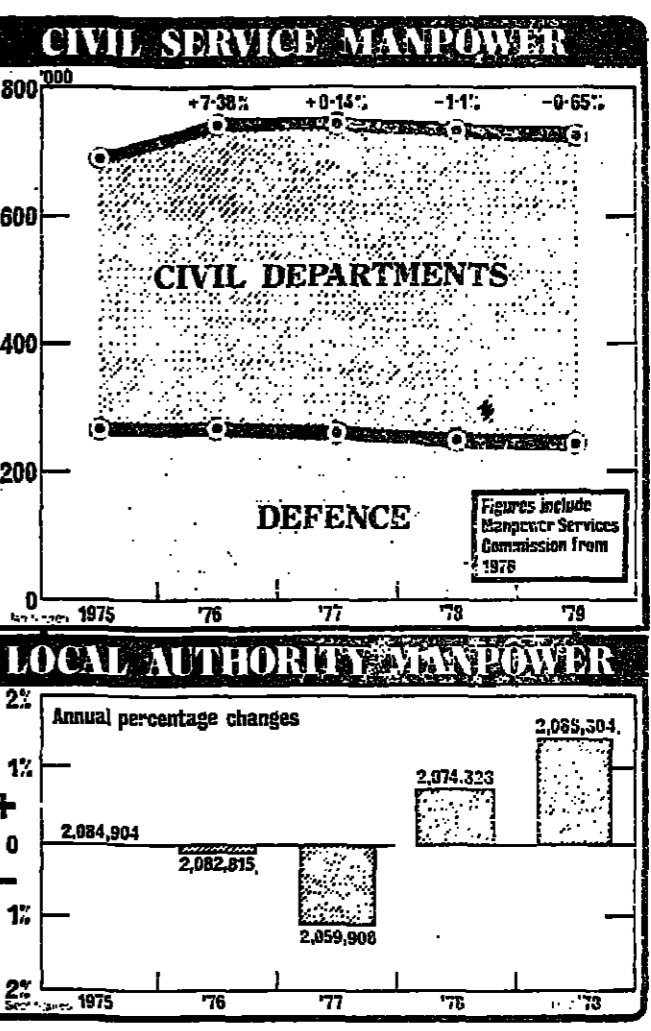
It is this measure, announced in the Budget, which is causing local authorities the most immediate concern. With some wage settlements in the local government sector still undecided and others subject to up-rating by the Clegg Comparability Board—due to report by August—the full effects of the Government's decision are still unclear.

Nevertheless Mr. A. G. Taylor, chairman of the Association of Metropolitan Authorities, has suggested that the extra cost as a result of pay and price inflation to local authorities this year could be as much as £1.46bn. After allowing for additional government grants and the funds set aside for supplementary rates in the present round, local authorities may still have to find £340m.

Local authorities will then have three main options; to introduce a supplementary rate this autumn, to draw on balances or to cut spending.

Most of them will probably choose a combination of drawing from balances and cutting services—and therefore jobs—as the solution to their financial problems.

The total balances held by local authorities at the end of 1978/79 are thought to have been about £1.2bn, about 7.5 per cent of total estimated expenditure in the current financial year. But after providing for drawing on balances to meet estimated expenditure in 1979-1980 it is likely that local authorities will be left with about £680m. However, the distribution of these reserves is also uneven and it is thought that most of the balances are held by the district councils which, because they collect rates on behalf of the county authori-



Adjusted

Three years

Economic Diary

Weekend Brief

Waiting on Mr. Whitelaw

ints that Sir Michael Swann might be willing to stay on as chairman of the BBC will come something of a relief to Mr. William Whitelaw, the Home secretary for whom broadcast- ing is such a personal pre- occupation. It is by no means clear, however, that Mr. Whitelaw's staffing difficulties, which he has said ought to be sorted out in a matter of days, are to be left to their ten- der mercies. Particularly worry- ing to Mr. Whitelaw is the fact that most of the independent broadcasting companies are due to be replaced or seek new people.

This particular dilemma is heightened by the fact that the IBA chairman, Lady Plowden, is approaching 70. In itself this is no legal obstacle to continuing the job. However, the IBA itself has always been fierce in insisting that the men in the "hot seat" be of a certain age (witness Lord Grade) and for the Home Office to say that what is good for them is not good for the IBA might be embarrassing.

Lady Plowden is not in fact until the middle of next year, but by then the Authority will be in the midst of contract negotiations for the next few years' commercial television.

The selection of new contracts for the more likely renewal of the contracts now held, is a reason for Mr. Whitelaw to consider long and hard over- siderings. The people who must know something of the television world, or be able to learn quickly, for the next year to be busy one.

Quango job offers (the chairman gets a shade more than £10,000).

He could, of course, just end the life of the present authority for as long as he wishes. But it is by no means certain that all of them would choose to stay on. Almost certainly Lord Blease will have to thank to his new Govern- ment post as Northern Ireland spokesman in the Lords. Dr. F. Carbery, the Authority's member for Scotland, has served for nearly 10 years, but he is shed the IBA will lose c of its liveliest, most knowl- edgeable and passionately in- terested members.

So all but two of the IBA- im (the exceptions are Mr. M. G. Christopher and Mrs. Mary Warnock who both have contract dates lasting until December, 1981) will face this weekend not knowing whether they are to be involved in the new round of ITV contract-seeking.

Clearly anybody on the un- gero reserve list should stay in the phone this week-end. Whitelaw has to make up his mind, at least on the senior- ist, before the next meeting of the Privy Council towards the end of the month. There unlikely to be a rush of eager applicants.

The people Mr. Whitelaw must find to man the broadcasting Quangos... Vienna struggles with its summit visitors... Life in Managua.



Lady Plowden: Lord Lew had to go at 70, but will she stay on?

City of dreams—and nightmares

When President Jimmy Carter arrived in Vienna for the summit meeting with Mr. Leonid Brezhnev he joined a long list of great names, ranging from Talleyrand and Castlereagh to John F. Kennedy and Nikita Khrushchev, who have conferred in this historic capital. But Vienna is not only a traditional meeting place of world leaders, diplomats and traders. It is also a time-honoured contact point for spies and agents from all over the world.

According to a recent public estimate by an Austrian official, some 5,000 full-time spies are operating in and from Vienna. Under Austrian law, only espionage against Austria itself is a crime. Spying activities of other countries against each other, even if on Austrian soil, do not concern the Austrian authorities.

The tradition of Vienna as an espionage centre goes back at least to the Congress of Vienna in 1814-15. Every morning Em- peror Francis read specially prepared secret reports. Col- leagues and coaches attached to the numerous diplomatic dele- gations, housemaids employed in the palaces and apartments of the leading delegates and bribed diplomatic couriers furnished the information.

The ten-year long, four-power occupation of Austria until 1955 gave a powerful encourage- ment to diplomacy using secret service methods. The haunt- ing memory of the zither music from The Third Man and the figure of Harry Lime reflect an atmosphere which in some ways still lingers on. The official still contains 47 diplomatic lists and attaches under the Soviet entry and the U.S. lists only two fewer. The Czechoslovaks have 27 diplomats here, almost as many as the combined embassy staff of the British and West Germans. And these are only the official figures for official personnel.

Major events such as the Kennedy-Khrushchev summit in 1961, the Ford-Sadat meeting in 1975, the first Archduke Charles, in the evening he went out in civilian clothes with a round hat pulled down over his eyes, he had not returned at 10 pm.

Appointments with Somoza

Undoubtedly the most thriving business in civil war torn Nicaragua for the last week has been the Intercontinental Hotel in Managua, where capital has street away from a fortified compound known as "El Bunker" where the country's President, General Somoza lives and directs the National Guard, his private army, against guerrillas trying to overthrow his regime.

While the rest of commerce and industry in the country has ground to a halt with the war, the hotel is doing brisk business with international journalists covering the crisis. Not the least item has been the billing to most journalists' accounts of the use of white towels which have been carried into the areas under attack in the hope that they will offer protection. General Somoza is a major shareholder in the hotel for his family, which has ruled the country for the past 46 years, dominates most sectors of the economy.

The situation in the hotel with its proximity to and interplay with "El Bunker" is a cross between a Graham Greene novel and a surrealist film by Luis Bunuel. Govern- ment ministers, members of rich families too afraid to stay in their homes, a couple of busi- nessmen, 70 journalists and an assortment of mysterious individuals are coupled up in the hotel and periodically ran out of beer and the menu had to be reduced to a buffet every lunch and dinner time. On top of this the hotel is the focal point in the evening for some guardsmen and Somoza cronies who come over the road to recount the day's events and drink in the bar.

Somoza himself came over just before I arrived to have a look at the foreign Press he so intensely hates but never- theless is curious about. The man from the BBC later reported in one of his dispatches that "it is not often that I sit next to a dictator who has had too much to drink." Somoza was very amiable at first but then as the evening became longer he became increasingly angry, spluttering his language with English expletives, unuseable, of course, on the radio.

Those who tried to record his off-the-cuff remarks, which revealed Somoza to be a man under considerable strain, had their cassettes seized by guards. Journalists later protested to Somoza's Press officer arguing that this went against the censorship, which the general claims, does not exist in Nicaragua. The BBC man had his cassettes returned and later an apologetic letter with the promise of an interview. At the last minute it was cancelled. For Somoza decided to spend a day at his palatial country estate.

A Somoza news conference is an event not to be missed and as the hotel is so near to the bunker it is a hard job to miss them.

Contributors:
Arthur Sandles,
Paul Lendvai,
William Chislett.

SUNDAY — Department of National Savings' monthly progress report (May).

MONDAY — Two-day meeting of EEC Agriculture Ministers opens, Luxembourg. Meetings of Finance and Energy Ministers of EEC, Luxembourg. President Carter addresses joint session of Congress in Washington on his return from signing SALT II agree- ment in Vienna. Mr. James Prior, Employment Secretary, at Industrial Society Conference, Carlton House Terrace, SW1. Two-day Financial Times conference on World-Wide Investment in the U.S. opens at Piccadilly Hotel, New York. Labour Women's Confer- ence, Spa Pavilion, Felixstowe.

TUESDAY — Balance of payments current account and overseas trade figures (May). Cyclical indicators for the UK economy (May). Sheikh Yamani of Saudi Arabia speaks at British Ship- ping Council conference, London Hilton. Cyprus Foreign Minister Nicos Rousidis talks with Lord Carrington, Foreign Secretary, Foreign Office, London. Mr. Gordon Richardson, Governor of the Bank of England, addresses Equipment Leasing Association annual dinner, Plaistow Hall, London. EEC Environment Ministers meet, Luxembourg.

WEDNESDAY — Confederation of British Industry monthly council meeting, Bank of England quarterly bulletin, Bank of England. Rates of wages and normal weekly hours (May). Monthly index of average earnings (April). Gross domestic product (1st qtr. provisional).

THURSDAY — Two-day meeting of European Council of EEC Heads of Government — opens in Strasbourg. Mr. Michael

Poolek, Shell Transport and Trading chairman, at American Chamber of Commerce luncheon, Savoy Hotel, London. Car and commercial vehicle production (May—April). Bricks and cement production (May). Lord Hill opens International Television Festival, 188, Piccadilly, W1.

FRIDAY — One-day strike by senior civil servants (limitation of Professional Civil Servants). Mr. David Howell, Secretary for Energy, at Coal Industry Society luncheon on role of coal in current energy crisis, Hyde Park Hotel, London. Safety and order in the engineering industries in the engineering industries (March). New vehicle registrations (May).

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FURTHER INFORMATION

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THE M&G GROUP

UK COMPANY NEWS

Guinness leaps to £23m and lifts interim 15%

IMPROVED performances in almost all its activities led the taxable profits of Arthur Guinness and Company from £13.3m to £23.1m in the 24 weeks to March 17 1979. And there is a 15 per cent increase in the gross interim dividend.

The brewing side did particularly well raising its trading profit by 23.5m to £16.4m. The total trading surplus was increased from £15.5m to £23.3m on turnover of £301.2m, against £263.5m.

But the Board says that special factors tended to concentrate earnings in the first half and does not expect the second-half results to exceed those of last year when the group turned in £30m. The taxable surplus for the whole of last year was up from £30.5m to £49m.

The directors stress that it is dangerous to judge the overall performance by the first half earnings. They point out that last year's figures for that period were below those of 1976-77 when the group made taxable profits of £17.1m.

This half's improved performance was spread over Britain, Ireland and overseas. In the UK the trading profit, including exports, rose from £5.8m to £8m, in the Republic of Ireland, including exports to UK and overseas, from £4.9m to £8.1m.

The taxable surplus was struck after increased interest charges of £4.3m (£3.1m) and associated profits up from £1.9m to £4.7m. Tax, adjusted for SSAP 15, taken £7.5m compared with £4.9m leaving net profit increased from £9.4m to £15.6m. Stated earnings per 25p share are ahead from 9.1p to 15.5p.

At the attributable level the surplus is up from £8.1m to £11m. The net interim dividend is lifted from 2.6154p to 3.15p which is equivalent to a 15 per cent increase on the gross figure. Last year's total was 7.838p.

The proposals will now be put at the annual meeting on August 3. An analysis of sales and trading profit—£22.9m (£19.1m)—shows building supplies contributed (in £'000's) £32,666 and £908 respectively; building supplies in Ireland £2.23 and £386; engineering supplies £6.15 and £535; engineering £4,235 and £137; printing £8,912 and £776 and profit of the holding company £135.

Earnings per share are stated at 21.9p, against 15.2p, and, as expected, the final dividend is 3.6p to make a total of 6.6p compared with 6p.

The Board confirms its intention to increase the share capital and make a one-for-two scrip issue. The proposals were first made last November, but were deferred until after the acquisition of the Peasegood future potential there would be a definitive share register from which to work.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Corres. Total, Total last year. Includes Guinness, Arthur Lee, Milbury, etc.

Milbury doubled to £1.2m

FURTHER PROGRESS in the second half led to more than doubled profits for Milbury. The taxable surplus of the subsidiary of Saint Julian, in the year to March 31, 1979, was £1.2m, up from £0.6m in the year to March 31, 1978.

The net final dividend of 2.5p lifts the total from an equivalent 2.4p to 4.1p. Stated earnings per 25p share advanced from 12.4p to 21.2p.

At mid-way the group had more than doubled pre-tax profits from £267,055 to £537,871, helped by a significant increase in margins.

Tax takes £100,523 compared with £11,464. There is a £46,000 credit for an adjustment on the sale of a subsidiary, and goodwill written off amounting to £132,694 (nil).

Cummins falls to £1.63m

Taxable profits of Cummins Engine Company tumbled from £1.41m to £1.63m in 1978 on turnover ahead from £87.3m to £99.7m. The diesel engine and component manufacturer suffered a mid-way profits decline from £4.5m to £1.4m.

The proposals will now be put at the annual meeting on August 3. An analysis of sales and trading profit—£2.9m (£1.9m)—shows building supplies contributed (in £'000's) £32,666 and £908 respectively; building supplies in Ireland £2.23 and £386; engineering supplies £6.15 and £535; engineering £4,235 and £137; printing £8,912 and £776 and profit of the holding company £135.

Earnings per share are stated at 21.9p, against 15.2p, and, as expected, the final dividend is 3.6p to make a total of 6.6p compared with 6p.

The Board confirms its intention to increase the share capital and make a one-for-two scrip issue. The proposals were first made last November, but were deferred until after the acquisition of the Peasegood future potential there would be a definitive share register from which to work.

Table with columns: Company, Dividend (p), Date of payment, Final, This year. Includes various companies like Anderson's Rubber Co., etc.

Pilkington tops £90m despite UK setback

THE NATIONAL haulage strike cost Pilkington Brothers, glass-makers and processor, some £7m at the trading profit level. This loss contributed to a slowdown in taxable earnings growth from £13.8m in the first half to £4.8m in the second, leaving full year total to March 31, 1979, ahead from £71.7m to £90.3m.

Trading surplus in the UK finished only marginally better at £29.2m, against £28.9m, while there was sharp improvement overseas. Profit there of £28.9m from £13.7m to £21.3m, with the increase spread almost evenly across both six months.

Overall sales were up £78.3m to £548.8m, including £253.6m (£292.9m) overseas content. After £28.3m, against £24.4m, depreciation of fixed assets, total trading profit reached £50.5m (£42.5m).

The directors say that current demand for many of the company's products is good, especially for those concerned with energy conservation. Also many overseas operations are advancing profitably and new acquisitions are expected to contribute to the results for 1979-80.

The pre-tax surplus benefited from a £5.1m rise to £37.9m in licensing. Profit there of £37.9m is up from £5.3m to £7.1m and interest down from £9m to £5.2m.

After tax of £42.7m (£36.3m) stated earnings per £1 share were 9.2p higher at 36.7p. The final dividend is held at 4.8p second interim on August 1, payable on August 16, which will effectively lift the total to 7.9p (£5.06p).

Attributable surplus emerged at £45.7m which, when adjusted to a current cost basis along the Hyde Guidelines, is cut to £38.5m.

Triplex was affected during the 12 months by the unsettled state of the market. However, ever demand for flat glass was good and the fibreglass insulation division achieved a record performance. The optical glass

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Sir Alastair Pilkington, chairman of Pilkington Brothers, pictured in the St. Helens factory.

market remained depressed but within the group's optical division Barr and Stroud had a good year. Increased volume of worldwide sales of float glass is reflected in the rise in income from licensing, although the stronger value of the pound had a small adverse effect on the sterling proceeds in the UK.

Spending on new buildings, plant and equipment during the year amounted to £43m. Investment in new subsidiaries and associated companies totalled £42m, including the acquisition of Solia (Plastic Ophthalmics) in Australia and a 50 per cent stake in Protopro (Flat Glass) and Santa Lucia (Safety Glass) in Brazil.

The effect of these investments on loan capital at the year-end was to increase UK borrowings by £3.5m, but there was no strain on the loan equity ratio which, with total group loans of £117m, was 1:3.3 to assets employed at year-end of £360m (£540m) before deducting bank overdrafts, the directors say.

Overseas exchange losses of £15.6m arose on conversion of overseas net assets and there was a £4m unrealised gain on conversions of overseas long term borrowings. These movements have been taken to reserves but a £1.3m net exchange loss on normal activities was deducted from trading surplus.

At the year ending January 26, 1980, the directors propose to pay dividends totalling 3.15p net—an increase of 74 per cent over the scrip adjustment. NV Brabant, a subsidiary of

ACE MACHINERY. The offer by F. J. C. Lilley for the capital of A.C.E. Machinery has been accepted in respect of 95.5 per cent of the shares of A.C.E.

MIC SUSPENDED. Mining Investment Corporation has received an approach which may lead to an offer for the company.

BOOKER MCCONNELL. Booker McConnell's mining equipment subsidiary, Fletcher Sutcliffe Wild, has paid £580,000 cash for 50 per cent of Aquatic Hydraulics.

RESULTS AND ACCOUNTS IN BRIEF. On income units for the accounting period December 1, 1978, to December 31, 1978, net profit per unit (0.778p) ended August 7.

PROVINCIAL LAUNDRIES—Results for 1978 reported March 15. Fixed assets £481,342 (£222,645), bank balances and investments £239,396 (£173,516). Current liabilities £295,625 (£157,516). Increase in net liquid funds £125,264 (£23,776). Maidenhead, July 4, at noon.

CVS wants £4m for expansion

SHAREHOLDERS of Combined English Stores are being asked to subscribe just over £3m to pay for further expansion. The directors have decided to raise new permanent capital by a rights issue of ordinary shares at 24p each, on the basis of one-for-five, after the recently approved one-for-one scrip.

Business carried on by existing members of CVS has been developed and enlarged, and in the past 15 months UK acquisitions have cost about £5m, say the directors. These acquisitions have been made through shops of Kendall and Sons, bought for £1.73m cash.

Acquisitions in the current year have been financed by seasonal surplus of cash resources and short-term borrowings. On current trading, the directors say the abnormal weather has had an adverse effect on trade, particularly on the groups' menswear, in the first four months of the current year.

However, they remain confident of a "reasonably satisfactory" result for the year as a whole. For the year ending January 26, 1980, the directors propose to pay dividends totalling 3.15p net—an increase of 74 per cent over the scrip adjustment.

NV Brabant, a subsidiary of ACE MACHINERY. The offer by F. J. C. Lilley for the capital of A.C.E. Machinery has been accepted in respect of 95.5 per cent of the shares of A.C.E.

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LAMONT HOLDINGS (property investment and development) results for 1978, and prospects, reported May 31. Group fixed assets £1.1m (£1.17m). Net current assets £1.1m (£1.17m). Net liquid funds £1.1m (£1.17m).

SHARLES ASSETS (insurance and underwriting)—Results reported May 31. Fixed assets £1.1m (£1.17m). Net current assets £1.1m (£1.17m). Net liquid funds £1.1m (£1.17m).

ARCHIMIDES INVESTMENT TRUST—Results for six months to April 30, 1978. £3,324 (£3,727) after all charges including £47,007 (£17,294). Net current assets £1.1m (£1.17m). Net liquid funds £1.1m (£1.17m).

THOMAS MARSHALL AND CO. (LOVELEY) results for 1978 reported May 31. Fixed assets £2.45m (£2.5m). Net current assets £4.87m (£4.9m). Net liquid funds £4.87m (£4.9m).

Dividends shown net price per share and adjusted for any intervening scrip issues. † Second interim. ‡ Third quarter figures.

Ferguson Industrial profit up at £2.2m: makes good start

SALES of Ferguson Industrial Holdings rose 37 per cent to £56.52m in the year ended February 28, 1979, and pre-tax profits were higher at £2.24m, compared with £1.62m in the previous year.

The directors say the results were obtained despite the bad winter and transport strike which affected sales in January and February. Since the beginning of March, trade has been brisk and most substantial, including some of the lost ground to be recovered.

Earnings per share are stated at 21.9p, against 15.2p, and, as expected, the final dividend is 3.6p to make a total of 6.6p compared with 6p.

The Board confirms its intention to increase the share capital and make a one-for-two scrip issue. The proposals were first made last November, but were deferred until after the acquisition of the Peasegood future potential there would be a definitive share register from which to work.

The proposals will now be put at the annual meeting on August 3. An analysis of sales and trading profit—£2.9m (£1.9m)—shows building supplies contributed (in £'000's) £32,666 and £908 respectively; building supplies in Ireland £2.23 and £386; engineering supplies £6.15 and £535; engineering £4,235 and £137; printing £8,912 and £776 and profit of the holding company £135.

Earnings per share are stated at 21.9p, against 15.2p, and, as expected, the final dividend is 3.6p to make a total of 6.6p compared with 6p.

Second-half improvement takes UKO to £3.4m in mixed year

NEARLY-HALVED profits from the catering equipment side hit UKO International in the year to March 31, 1979. But taxable profits were virtually unchanged at £3.36m, against £3.31m, on turnover ahead from £39.8m to £45.2m.

The fall in catering equipment profits — from £841,000 to £457,000 — was offset by an improvement in the ophthalmic division which lifted its surplus from £2.5m to £2.9m.

However, the group's results reflect a second-half improvement. At mid-way the pre-tax surplus was down from £1.9m to £1.77m.

After tax, minorities and extraordinary closure costs, the attributable profit is up from £1.58m to £2.3m. Stated earnings before extraordinary items are 18p (18.9p) per 25p share but after these items earnings rose from 11.5p to 16.5p.

The final net dividend of 6.48p lifts the total from 8.8p to 9.85p. In the ophthalmic group profits and turnover increased at home and abroad. Margins have, with difficulty, been maintained. The second-half benefited from an increase in production, and the sale of new equipment in the major UK factories resulted in lower unit costs. New product lines were introduced.

On the catering equipment side profits were heavily reduced because of difficulties in the manufacturing division at Hastings factory. Here the integration of Smith and Wellstood (G and G), manufacturing with that of Stills was a principal cause of the profits reduction.

Margins available on large overseas contracts proved inadequate and activity has been reduced in this area. Action being taken to remedy these problems had little effect on the year under review. Other parts of the catering equipment operations produced expected results and without the problems at Hastings, the group would have shown an improvement in total profits over last year.

UKO's figures are not inspiring by comparison with the poor performance recorded by the group in the second half of 1977-78. On the ophthalmic side the

Jonas Woodhead hit by higher interest costs

A FALL of £429,000 in taxable earnings in the second half at Jonas Woodhead and Sons more than eliminated the growth seen in the combined group for the year to March 31, 1979, was down at £4.7m, against £4.95m.

Sales by this vehicle suspension specialist were £5.5m higher at £68.1m and trading profit was only marginally lower at £5.36m (£5.46m).

However, as indicated at mid-term, when the surplus reached £2.48m (£2.23m), results were affected by higher interest costs which, net of investment income, jumped from £499,000 to £696,000.

Sharply lower tax of £737,000 (£1.17m) left stated earnings per 25p share showing a 1p improvement to 27.2p. A net final dividend of 12.5p lifts the total to 5.570p (£3,870p).

Attributable surplus came out at £3.9m (£3.4m) of which £2.92m (£2.87m) was retained.

UBM GROUP (builders' merchant)—Results for year to February 28, 1979. Group fixed assets £27.36m (£26.52m). Net current assets £27.36m (£26.52m). Bank overdrafts and other liabilities £4.98m (£4.98m). Cash outflow £4.38m (£0.25m inflow). Payment to former director of £36,000 as a result of restrictions and divisions' continuing efforts to contain their capital levels. Board does not expect any material increase in borrowings in current year. Meeting, Bristol, July 5, 10.30 am.

THOMAS MARSHALL AND CO. (LOVELEY) results for 1978 reported May 31. Fixed assets £2.45m (£2.5m). Net current assets £4.87m (£4.9m). Net liquid funds £4.87m (£4.9m).

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Dividends shown net price per share and adjusted for any intervening scrip issues. † Second interim. ‡ Third quarter figures.

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Gt. Portland revenue rise

ROSS rental income of Great Portland Estates increased from £10.7m to £12.7m in the year ended March 31, 1979, and pre-tax revenue improved to £5.68m, compared with £4.1m in 1978.

Net revenue for the year from completed properties was higher £3.14m against £2.35m and includes £61,000 (£11,000) being a amount equal to the outgoing attributable to properties in the course of development.

Dorrington Invest. well up

PRE-TAX earnings of Dorrington Investment Co. improved from £327,000 to £789,000 in the year ended March 31, 1979, on turnover of £2.57m, against £2.89m.

M & G launches new American unit trust

The M and G Group is launching a new American unit trust specialising in shares of companies which have fallen on hard times.

TIN PROFITS

Three tin producing units of a Malaysian Mining Corporation—Kampong Lanjut, Kramat Kuala Lumpur and Kuantan—reported pre-tax profits for the year ending March 31.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Bestobell rejected the intimated 200p per share offer from BTR on grounds of incompatibility. Merger talks between Mining Supplies and Dohson Park Industries ended, the negotiations foundering on the intended structure of the combined companies.

John James Group, the Bristol-based industrial and investment company, announced that it is in talks with more than one possible suitor.

Geers Gross jumps to £0.4m

ON TURNOVER which jumped from £8.72m to £23.3m, Geers Gross, the advertising agent and consultant, lifted taxable profits from £281,000 to £411,000.

Tomkinson Carpets ahead in first half

Profits of Tomkinson Carpets were up from £99,000 to £118,000 in the six months ended March 31, 1979 before tax of £93,000 against £51,000.

Table with columns: Company bid for, Value of bid per share, Market price, Price before bid, Value of bid £m, Bidder, Final Acc't'd date. Lists various companies like Hardy & Co., Knott Mill, Morris Blakey, etc.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit (£000), Earnings* per share (p), Dividends* per share (p). Lists companies like Allied Brews, Alpin Soft Drinks, Arie Industries, etc.

Table with columns: Company, Year to, Pre-tax profit (£000), Earnings* per share (p), Dividends* per share (p). Lists companies like Janss, Matthey, Leech (Wm.), Locker (Thos.), etc.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends* per share (p). Lists companies like Bertrams, Compair, Crystalite, etc.

Scrap Issues

Saatchi and Saatchi: One-for-two. Valor: One-for-five.

Rights Issues

International Timber: One-for-four at 110p raising approximately £25m. Control Securities: One-for-five at 20p.

Expansion to £0.8m at Sound Diffusion

PRE-TAX profits of Sound Diffusion, electronic engineering concern, rose from £434,000 to a record £790,000 for 1978.

reflect the effect of the 5 per cent surcharge on products and services provided by Sound Diffusion (Manufacturing) and Sound Diffusion (Services), charged for the first time in 1978.

MINING BRIEFS

GEVOR TIN—May output: 10,820 tonnes, treated produced 56 tonnes. Block Tin (65 per cent Sn) including 10 tonnes low grade concentrates (Aval 90 tonnes).

INSURANCE BASE RATES

Table with columns: Property, Growth, Vanbrugh Guaranteed, Address shown under Insurance and Property Bond Table.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.

45 Cornhill, London EC3V 3PB. Tel.: 01-623 8314. Index Guide as at June 14, 1979.

SCOTTISH EUROPEAN INVESTMENT CO LTD

Summary of the Financial Year to 31st March. Table with columns: 1979, 1978, %. Lists assets, liabilities, income, dividends.

Net assets rose 8.9 per cent over last year, compared with a rise of 3.3 per cent in the Eurosynthetic Index of Continental stock exchanges.

Archaeological fund for London

THE CITY OF London Archaeological Trust is launching a £750,000 appeal to support an emergency archaeological programme.

Bread strike

A TWO-DAY strike by 800 bakery workers has hit bread supplies in Ulster. The dispute is over the terms of reference of a pay comparability study.

Roberts, Adlard & CO. LIMITED BUILDERS' MERCHANTS AND ROOFING SPECIALISTS. Year ended 31st December 1978/1977. Main points from the Statement by the Chairman, Mr. F. W. Eford.

ROCKWELL LISTING

Rockwell International Corporation has been granted a listing by the Stock Exchange in respect of 43,604,237 issued and reserved shares of Common.

BANK RETURN

Table with columns: Wednesday June 15 1979, Increase (+) or Decrease (-) for week. Banking Department and Issue Department.

CITY OF LEICESTER Floating Rate Stock 1982

For the six months from 16th June, 1979 to 16th December, 1979 the interest rate on the above stock will be 13.5688% per annum.

PROPERTY PARTNERSHIPS

SECOND-HALF growth in taxable profit from £155,733 to £238,896 at Property Partnerships raised the surplus for the year March 31, 1979, from £133,887 to a record £397,396.

BANK OF IRELAND

Bank of Ireland announces that the following rate will apply from and including 15th June, 1979. Base Lending Rate 14% per annum.

INTEREST

14 1/2% PER ANNUM. Paid on deposits, as indicated, applicable to U.K. residents and non-U.K. residents. Various schemes available. 28 day rate available. Special rates for £5,000 plus.

GUINNESS Interim Statement

Group Profit for 24 weeks to 17th March, 1979 UNAUDITED

Table with columns: TURNOVER, PROFITS TRADING PROFIT, Interest charges, Investment income, etc. 1979 and 1978 figures.

NOTES

(a) Trading profit is after charging depreciation of £6.7m (£5.8m). (b) The following table shows the trading profit of holding and subsidiary companies resident in each territory:—

WORLD STOCK MARKETS

Companies and Markets

Wall St. mixed: Index up 0.96

INVESTMENT DOLLAR PREMIUM... A MIXED trend prevailed in moderately active trading on Wall Street yesterday...

from 11 1/2 per cent matching cuts by four other major and about a dozen smaller banks...

PARIS—Narrowly mixed in quiet trading. French may unemployment rise had no effect on operations...

SWITZERLAND—Higher in thin trading. Bond Market's recovery this week confirmed with little National Bank intervention...

NEW YORK Stock market data table with columns for Stock, June 15, June 14, June 13, June 12, June 11, June 10, June 9, June 8, June 7, June 6, June 5, June 4, June 3, June 2, June 1, 1979.

Indices

NEW YORK DOW JONES table with columns for June 15, June 14, June 13, June 12, June 11, June 10, June 9, June 8, June 7, June 6, June 5, June 4, June 3, June 2, June 1, 1979.

INDICES table with columns for N.Y.S.E. ALL COMMON, June 15, June 14, June 13, June 12, June 11, June 10, June 9, June 8, June 7, June 6, June 5, June 4, June 3, June 2, June 1, 1979.

FRIDAY'S ACTIVE STOCKS table with columns for Stock, Price, Change.

STOCK MARKET table with columns for Stock, Price, Change.

CANADA table with columns for Stock, Price, Change.

STANDARD AND POORS table with columns for Stock, Price, Change.

INDICES table with columns for N.Y.S.E. ALL COMMON, June 15, June 14, June 13, June 12, June 11, June 10, June 9, June 8, June 7, June 6, June 5, June 4, June 3, June 2, June 1, 1979.

FRIDAY'S ACTIVE STOCKS table with columns for Stock, Price, Change.

STOCK MARKET table with columns for Stock, Price, Change.

CANADA table with columns for Stock, Price, Change.

F.T. CROSSWORD PUZZLE No. 3997

A prize of £5 will be given to each of the solvers of the first three correct solutions... Solutions must be received by next Thursday...

Name: _____ Address: _____

RACING BY DOMINIC WIGAN

Indices and base dates fall base values 100 except NYSE All Common... London 1000-1000 the last based on 1975...

Pat Eddy for a four timer at Sandown

leading jockeys including Lester Piggott and Willie Carson are in action at York. Pat Eddy will be at Sandown trying to further strengthen an already tight grip on the jockey's championship...

GERMANY

GERMANY stock market data table with columns for Stock, Price, Div. Yld.

AUSTRALIA

AUSTRALIA stock market data table with columns for Stock, Price, Div. Yld.

PARIS

PARIS stock market data table with columns for Stock, Price, Div. Yld.

STOCKHOLM

STOCKHOLM stock market data table with columns for Stock, Price, Div. Yld.

COPENHAGEN

COPENHAGEN stock market data table with columns for Stock, Price, Div. Yld.

CROSSWORD PUZZLE grid with numbers 1-28.

ACROSS 1 Strip for the doctor (7) 5 Eccentric inventor we hear to have a patent (7) 9 Cold-headed heroine caught by ape (5) 10 When to be taking action in prison (5, 4) 11 Foundry product for pressing bed linen (5, 4) 12 Expression of impatience over gold given to teacher 13 Dim leader may irritate. Get rid of him (5) 15 Just the sweet for a good blow-out (6, 3) 18 Cancellation of tunnel man repaired (9) 21 Raffle given the brush-off (5) 21 Painter took care of non-sensibles (5) 23 Workmen loading ship show touching affection (4, 5) 25 Go with Bill and Co (9) 26 American time practice (5) 27 When at sea left sunlight in picture (7) 28 Bump into a small lion tamer during fast period (7)

DOWN 1 Stuffed to be given Imperial medal at second hand (7) 2 Address of prime ministerial significance (6, 3) 3 It makes a change from Tosca of course (5) 4 In what form can lead urn be tolerable? (9)

SOLUTION AND WINNERS OF PUZZLE No. 3996

Table with columns for Stock, Price, Div. Yld. for various international markets including SPAIN, BRAZIL, MILAN, OSLO, BRUSSELS/LUXEMBOURG, VIENNA, JOHANNESBURG, AMSTERDAM.

Following are winners of last Saturday's prize puzzle: Mr. A. Brock-Gunn, 17 Glenview Gardens, Hindhead, Surrey GU26 6SX; Mr. R. Cornwell, 236 Stanley Park Road, Carshalton Beeches, Surrey; Mr. J. Drake, 27 North Crescent, Ardrossan, Ayrshire KA22 5NA.

NOTES: Overseas prices exclude \$ premium. Belgian dividends are after withholding tax. \$100 denoms unless otherwise stated. \$ Fr 500 denoms unless otherwise stated. * Yen 50 denoms unless otherwise stated. * Price at time of suspension. * Florins & Schillings. * Cents & Dividend after pending dividend issue. * Per share. * Price in \$ assumed dividend after scrip and/or rights issue. * After local taxes. * Dividend and yield exclude special payments. * Unofficial trading. * Minority holders only. * Assumed dividend per share. * Assumed. * Seller. * Assumed. * Div. & yield exclude special dividend. * Ex scrip issue. * Ex all. * A interim price increased.

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INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

Dutch bank to merge four Swiss subsidiaries

By Charles Batchelor in Amsterdam
ALGEMENE BANK Nederland (ABN) plans to merge its four subsidiaries in Switzerland into one bank to be known as Algemene Bank Nederland (Schwiz).

ABN is the sole shareholder in the first two banks. It owns nearly 64 per cent of the Paris-based Neufville holding company which in turn has a 90 per cent stake in the French bank AEN.

The First Viking Commodity Trusts

Commodity OFFER 45.0 Trust BID 42.9

Commodity & General Management Co Ltd
10-12 St George's Street
Douglas Isle of Man
Tel: 0624 25015

French mining group in the red

BY TERRY DODSWORTH IN PARIS

CONSOLIDATED losses of the Imetal group, the French-based mining concern controlled by the Rothschild family, amounted to Fr 242m (\$35m) last year after a profit of Fr 82m in 1977.

Mitchell Plateau bauxite project boosted by CRA

BY JOHN ROGERS IN SYDNEY

CONZING RIOTINTO of Australia is to try to breathe life into the big bauxite deposit project at Mitchell Plateau in Western Australia.

South Wales, and Mitchell Plateau's refined product could be earmarked for this purpose.

L.G. Index Limited 01-351 3466. 29 Lamont Road, London, SW10 0HS.

decline in the value of the dollar. Imetal has a 50 per cent stake in Le Nickel, which it owns jointly with Elf-Aquitaine.

Swedish Match earnings rise in first four months

BY VICTOR KAYETZ IN STOCKHOLM

SWEDISH MATCH reports an operating profit of Skr 63m (\$14m) on sales of Skr 1.8bn (\$400m) for the first four months of 1979.

Prices for all products increased during the first quarter.

Sept. Coeca 1694-1703

Shareholders were told at yesterday's annual meeting that the group expected to step up investment to between Fr 12bn and Fr 14bn (\$3.2bn).

Texagulf forecasts higher profit

BY CHARLES F. FOGARTY IN TORONTO

TORONTO — Mr. Charles F. Fogarty the chairman of Texagulf said the company's sales and earnings have improved for five straight quarters.

Prices for all products increased during the first quarter.

Shareholders were told at yesterday's annual meeting that the group expected to step up investment to between Fr 12bn and Fr 14bn (\$3.2bn).

Winterthur expects solid progress

By Our Financial Staff

LEADING Swiss insurance company Winterthur reports that business volume is progressing satisfactorily this year.

Prices for all products increased during the first quarter.

Montedison confirms sale of Fingest

BY PAUL BETTS IN ROME

MONTEDISON, the Milan-based chemical conglomerate, confirmed last night the sale of its 65 per cent controlling shareholding in the Fingest financial group.

Cummins sees quarter decline

CLEVELAND — Cummins Engine expects second quarter earnings to be well below the first quarter's \$250m despite sales close to the first quarter's record \$450m.

Prices for all products increased during the first quarter.

The Energy Crisis Impact on commodities

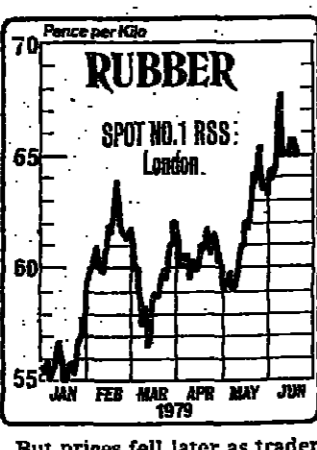
Have produced a comprehensive report on how the crisis is likely to affect the supply, usage and price of the following raw materials:

Inter Commodities Limited

Aluminium, Copper, Gold, Lead, Nickel, Platinum, Silver, Tin, Zinc, Minor metals and Rubber.

COMMODITIES/Review of the Week Renewed frost fears boost coffee prices

RENEWED Brazilian frost fears coupled with a heavier-than-expected official damage estimate following last month's frost boosted coffee prices on the London futures market in the second half of the week.



On Thursday, however, the Brazilian Coffee Institute (IBC) said that a survey of affected areas indicated 1980/81 crop damage amounted to 7.8m bags.

But prices fell later as traders came to the conclusion that initial reactions to this news had been over-optimistic.

Coupled with the announcement of a new frost warning covering coffee growing areas his prompted a sharp rise in prices.

The market continues to be dominated by the shortage of supplies, and reports of further buying by the Soviet Union.

Rubber prices also fell sharply reflecting an easing of the technical squeeze in the Malaysian market.

Having been lifted earlier by reports of Soviet, Chinese and U.S. buying, rubber prices last week from a Cont commodity report forecasting another supply/demand deficit this year.

MARKET REPORTS BASE METALS

Table with columns for metal types (COPPER, ZINC, LEAD, NICKEL), price per tonne, and change over the week.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities including METALS, GRAINS, OILS, SEEDS, and OTHER COMMODITIES.

COFFEE

Table showing coffee prices for various origins (Arabica, Robusta) and grades.

GRAINS

Table showing grain prices for wheat, barley, and other cereals.

AMERICAN MARKETS

Table showing American market prices for various commodities like sugar, cotton, and oil.

INDICES

Table showing financial indices like Dow Jones and S&P 500.

SUGAR

Table showing sugar prices for various grades and origins.

* Nominal. † Unquoted. (g) Madagascar.

BRITISH FUNDS (551)
Table listing various British funds with columns for fund name, share price, and other details.

INTERNATIONAL BANK (1)
Table listing international banks and their share prices.

CORPORATIONS (19)
Table listing various corporations and their share prices.

COMMONWEALTH GOVTS. (4)
Table listing Commonwealth governments and their share prices.

FOREIGN STOCKS (2)
Table listing foreign stocks and their share prices.

BANKS (171)
Table listing various banks and their share prices.

BREWERIES (159)
Table listing various breweries and their share prices.

COMMERCIAL (2,665)
Table listing various commercial entities and their share prices.

Stock Exchange dealings

Thursday, June 14 20,735
Wednesday, June 13 20,448
Tuesday, June 12 15,583
Monday, June 11 17,722
Friday, June 8 16,382
Thursday, June 7 16,756

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest marketings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 15 minutes past but later transactions can be included in the following day's Official List. The number above the name of each security is the number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not available for securities not marked in the Official List.

2 Bargains of Special Preference. A Bargain done with or between non-members of the Stock Exchange, and recorded in the Official List, is not a bargain for the purposes of this section.

Stock Exchange, 28-Bishopsgate, London EC2A 4DP. Tel: 01-525 5100. Fax: 01-525 5101.

Director for Great Portland

Mr. Richard Feskin has been appointed managing director of GREAT PORTLAND ESTATES. He was assistant managing director.

Mr. K. G. Jessop has been appointed president of the CONCRETE SOCIETY for 1979-80. He succeeds Mr. W. F. Ausin at the society's annual meeting on June 26. Mr. Jessop is the founder and chairman of the Stelmio organisation.

Mr. William W. Crossman has been elected a vice president of INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION. He is the general manager of I.T.T.'s illumination and electrical products group worldwide.

Mr. Anthony J. F. O'Reilly has been elected chief executive officer of H. J. HEINZ COMPANY. He will retain the title of president. He succeeds Mr. R. Burt Gookin, who will remain a director.

Mr. Denys Benke has been elected senior partner of BREWIN DOLPHIN AND CO., stockbrokers, in succession to Mr. G. E. Ruggles-Brive, who is retiring from the partnership but will be remaining with the firm. Mr. J. R. Williams is joining the partnership.

ALEXANDER HOWDEN UNDERWRITING has pleasure in announcing that Mr. W. E. Stener, who is currently deputy underwriter of Swan Motor Policies at Lloyd's, has been appointed underwriter following the resignation of Mr. J. R. Grayston. This appointment takes effect on July 1.

Mr. C. A. Griffith has been appointed a director of BOCALTA AND GOLDSMID, the bullion and gold subsidiary of Standard Chartered Bank.

Mr. Roger Matthews has been appointed chief executive of MASSTOCK GROUP OF COMPANIES. He will be based initially at the Masstock offices in Exmouth, South Devon, but will be responsible for all activities within the group worldwide.

Mr. Ernest Armstrong, Mr. Carleton Hetherington and Mr. A. G. Taylor have joined the Board of managing trustees of MUNICIPAL MUTUAL INSURANCE and its subsidiaries.

Mr. Brian Hewitt has been appointed the RACAL GROUP systems controller (marketing) — a new post.

Mr. E. L. Marsh has been re-elected for a second term of office as chairman of the WESTMINSTER CHAMBER OF COMMERCE. Two new vice chairmen have been elected: Mr. Geoffrey Edwards and Mr. Lindsay Bayliss. Mr. John Marks, Mr. Robert Steane and Mr. Robert Stevens have been re-elected vice chairmen.

Mr. Guy M. Birkhead has been appointed director of BENTLEY WHEATLEY AND SONS, a subsidiary of Allied Textile Companies.

Mr. Richard Yoffey has been appointed deputy managing director of CASEY'S CAMPING from June 11. He will be assisting the managing director, Mr. Chuzge, in the general management of the business.

Mr. J. G. Beckett has been appointed managing director of GEORGE H. SCHOLEY AND CO. from July 1. He succeeds Mr. G. E. McDevine, who will remain executive chairman.

Mr. John Denver has been appointed to the Board of SUPRA GROUP and continues as group company secretary.

The Secretary for Employment has appointed Mr. Reginald A. Denney as non-executive director of REMPLY. Mr. Renney

is a director and general deputy manager of Lucas CAV, chairman of a number of its subsidiaries. Remploy is a government supported company for the employment of disabled people.

Mr. Norman Bonakes, who will be national chairman of the INSTITUTE OF MARKETING in November, has accepted an invitation to become president of the Croydon, Surrey, branch of the Institute.

Dr. A. J. A. Roux, who retires as president of the Atomic Energy Board at the end of June, is joining the board of VALLBERG'S MINING AND EXPLOITATION COMPANY on July 1.

Following recent changes in the management structure of the Fenchurch Group, the Board of FENCHURCH INSURANCE HOLDINGS now consists of Lord Kinnaird chairman, Mr. R. A. W. Cairne deputy chairman, Mr. G. E. Knight executive vice chairman. The following are directors: Mr. P. W. Bedford, Mr. E. M. Backer, Mr. D. E. Mr. P. C. E. Dix, Mr. R. L. Earl, Mr. D. G. Hago, Mr. C. A. G. Keeling, Mr. J. Y. Scott, Mr. J. J. Small, Mr. C. Viner and Mr. J. W. B. Wimbles. Mr. C. B. Stevenson has been appointed company secretary.

Mr. Andrew Ramsay has been appointed deputy secretary and secretary of the lighting division of THE CHARTERED INSTITUTION OF BUILDING SERVICES.

COMSHARE, the UK computer services company, has appointed two deputy managing directors and nine new directors to the UK Board. Mr. Alex Jones, technical director, and Mr. Ray Fawcett, sales director, have been appointed deputy managing directors along with the following as non-executives to the Board: Mr. Nic Birles, Mr. Brian Robson, Mr. John Cutting, Mr. Keith Talbot, Mr. Brian Taylor, Mr. John Taylor, Mr. Steven Willard, Mr. Mike Toffin and Mr. Dion O'Leary.

A new division of WALLACE & TIETJEN will from July 1, operate under the title of mobile power division. The new division will be headed by Mr. C. W. Bosson, who, as general manager, will be directly responsible to the managing director of Wallace and Tietjen and working with him will be Mr. P. S. McLoughlin, field manager, automatic power division, domestic sales, and Mr. P. W. Miller, office manager, automatic power division sales.

Mr. Richard Warburton has been elected director general of THE ROYAL SOCIETY FOR PREVENTION OF ACCIDENTS from July 1. He succeeds Mr. Ronald Bevan, the acting director-general, who is retiring.

MR. JAMES PARRATT, chairman of Birds Eye frozen foods, part of the Unilever group from 1954 to 1972, has died while visiting London. He was 66. He was generally regarded as the pioneer of the frozen foods industry, and developed Birds Eye from a small company with a few hundred employees to the biggest frozen food company in the world with 12,000 workers.

Joining Unilever as a management trainee in 1934, he served during the Second World War in the Royal Marines, rising to the rank of lieutenant-colonel. He became chairman of Birds Eye in 1956. A year earlier he introduced frozen fish fillets to Britain. On retirement he said he considered his main achievement to be the development of the retail trade's attitude to and means of selling frozen food.

After retiring Mr. Parratt moved to Malta. He leaves a widow and two children by a former marriage.

OBITUARY James Parratt

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Table listing various international and foreign stocks with columns for company name, share price, and other details.

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EUROPEAN OPTIONS EXCHANGE
Table showing various options contracts with columns for series, volume, price, and other details.

Scottish Amalgamated (190) 125 1/2, 80p.
Scottish Amalgamated (190) 125 1/2, 80p.

Bank and Commercial Hldgs. (100) 74 1/2
Bank and Commercial Hldgs. (100) 74 1/2

Managers (100) 100 1/2
Managers (100) 100 1/2

Denise (James H) (500) 33 1/2
Denise (James H) (500) 33 1/2

GAS (10)

Alliance and Dublin Consumers Gas Co. (10)
Alliance and Dublin Consumers Gas Co. (10)

INSURANCE (140)

Accident and General Insurance Co. (100) 125
Accident and General Insurance Co. (100) 125

INVESTMENT TRUSTS (154)

Aberdeen Trust (250) 35
Aberdeen Trust (250) 35

UNIT TRUSTS (9)

M. and G. Gen. Inc. (250) 50.80
M. and G. Gen. Inc. (250) 50.80

MINES-Australian (6)

Hampton Gold Mines Areas (100) 199.99
Hampton Gold Mines Areas (100) 199.99

Miscellaneous (57)

AMA (US) 131 (12.5) 80c/D.
AMA (US) 131 (12.5) 80c/D.

Rhodesian (2)

Botswana RST (100) 156.65 (13.6)
Botswana RST (100) 156.65 (13.6)

South African (41)

Anglo-American Corp. (100) 104.7
Anglo-American Corp. (100) 104.7

RULE 163 (2) (a)

Applications granted for specific
bargains in securities not listed
on any Stock Exchange.

RULE 163 (3) (a)

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RULE 163 (3)

Bargains marked for approved
companies engaged solely in
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LOCAL AUTHORITY BOND TABLE

Table with columns: Authority, Annual Interest, Life, Minimum, of, Interest, Life, Bond. Lists various local authority bonds with their respective interest rates and terms.

BUILDING SOCIETY RATES

Table with columns: Deposit, Share, Sub'n, n, rates, accounts, shares. Lists building society rates for various societies like Abbey National, Alliance, Anglia Hastings and Thanet, etc.

* Rates normally variable in line with changes in ordinary share rates.
† Includes 0.25% Centenary Bonus throughout 1979.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

CURRENCIES, MONEY and GOLD

EXCHANGES AND BULLION

The dollar lost ground against
sterling currencies in yesterday's
foreign exchange market
after discouraging money supply
figures in the U.S. together with
a continued easier trend in
interest rates. Demand for other
currencies increased during the
afternoon and the U.S. unit
finished on or around its worst
level for the day. Against the
D-mark it closed at its weakest
level of DM 1.8900, compared
with DM 1.8075 on Thursday,
afternoon and the U.S. dollar
at SwFr 1.6270 in terms of a
Swiss franc. It was also weaker
against the yen and finished
at Y19.124 against Y20.121
previously. On Bank of England
figures, the dollar's trade
weighted index fell from 86.8 to
86.3.

OTHER MARKETS

Table with columns: June 15, Note Rates, etc. Lists various market rates including Argentina, Australia, Canada, etc.

LONDON MONEY RATES

Table with columns: June 15, Sterling, Interbank, Local, etc. Lists London money rates for various currencies and terms.

EURO-CURRENCY INTEREST RATES

Table with columns: June 15, Sterling, U.S. Dollar, Canadian, etc. Lists Euro-currency interest rates for various currencies.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: June 15, ECU, Currency, % change, etc. Lists EMS European Currency Unit rates.

CURRENCY RATES

Table with columns: June 15, Bank, Special, European, etc. Lists various currency rates.

EXCHANGE CROSS RATES

Table with columns: June 15, Pound Sterling, U.S. Dollar, Deutschemk, etc. Lists exchange cross rates for various currencies.

U.K. CONVERTIBLE STOCKS 15/6/79

Table with columns: Name and description, Size, Current price, Terms, Conversion dates, etc. Lists U.K. convertible stocks with their details.

* Number of ordinary shares into which £100 nominal of convertible stock is convertible.
† The extra cost of investment in convertible expressed as a percentage of the value of the underlying equity.
‡ The difference between the premium and income difference expressed as a percentage of the value of underlying equity.

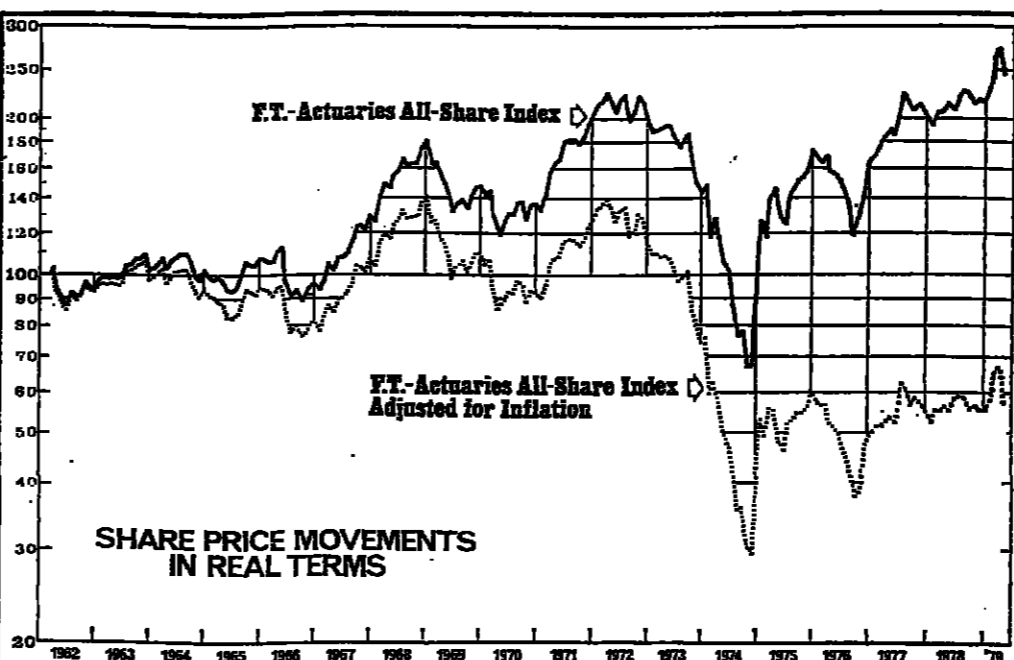
LONDON STOCK EXCHANGE

Companies and Markets

Technical rally reverses equity slide but movement falters on announcement of £1.8bn tap stocks

Account Dealings Dates
Option
*First Declara- Last Account Dealings Dates
June 4 June 14 June 15 June 26
June 18 June 28 June 29 July 10
July 2 July 12 July 13 July 24

generated caution and the gains were shaded ahead of the 3.30 pm close as the market began to look to Gilts-edged for a guide. Quotations in the latter were generally relinquishing small improvements awaiting possible announcements regarding replacement tap stock issues.



FINANCIAL TIMES STOCK INDICES
Table with columns for various stock indices (Government Secs, Fixed Interest, Industrial, etc.) and their values for different dates (June 15, 16, 1979).

HIGHS AND LOWS S.E. ACTIVITY
Table showing high and low prices for various stock categories (Govt. Secs, Fixed Int., Ind. Ord., etc.) and S.E. Activity (Daily Gilt Edge, etc.).

LONDON TRADED OPTIONS
Table listing various options (BP, BP, BP, etc.) with columns for Expiry, Closing Price, Volume, and Equity Close.

Increased demand for Traded Options saw the total volume of contracts recorded rise to 1,546 from the previous day's 934. Cons. Goldfields were particularly lively with 283 deals done, while a sizeable trade was also transacted in Marks and Spencer and ICI which recorded 175 and 167 contracts respectively.

Banker better
Despite adverse comment, home banks picked up slightly in the wake of the base lending rate increase. Bank of Scotland rose 4 1/2p and Lloyds retrieved 6 to 31 1/2p, while Midland hardened 3 to 40 1/2p as did NatWest, to 34 1/2p.

Fraser below best
A particularly vulnerable sector since Tuesday's Budget on fears that the sharp rise in VAT will adversely affect sales, Stores regained some composure yesterday in response to reassuring Press comment. A resurgence of speculative buying fuelled by revived suggestions that a bid from Lomrho is imminent helped House of Fraser feature with a rise of 12 to 180p, while Gieves & Howard rose 10 to 36 1/2p and W. H. Smith A picked up 6 to 17 1/2p.

Pilkington pleases
Miscellaneous Industrial leaders rallied in places on technical influences. Pilkington rose 8 to 32 1/2p, after 32p, following the better-than-expected preliminary profits and Metal Box, recently dull on the disappointing results, improved 6 to 30 1/2p on Press comment. Despite adverse comment, Reed International added a like amount to 17 1/2p and Turner and Newall appreciated 4 to 13 1/2p, after 14 1/2p. Major overseas earners remained sensitive on concern about the recent relative strength of sterling and Bechem, after touching 54 1/2p, fell late to end 3 off at 53 1/2p, while Reckitt and Colman ended similarly lower at 44 1/2p.

ACTIVE STOCKS
Table listing active stocks (GEC, Beecham, BP, etc.) with columns for Denomination, Closing Price, Change, and 1979 High/Low.

OPTIONS
Table listing options (Sielens (UK), UDT, Charter- sell and Town and City Properties, etc.) with columns for Deal-Deal-Declara-Settle-ment.

FT-ACTUARIES SHARE INDICES
Table listing various share indices (CAPITAL GOODS, BUILDING MATERIALS, etc.) with columns for Index No., Day's Change, and High/Low.

ON THE WEEK
Table listing stocks (BP, GEC, ICI, etc.) with columns for 1979 High/Low and 1978 High/Low.

RECENT ISSUES
Table listing recent issues (60, 111B, 111C, etc.) with columns for Issue Price, P/E Ratio, and Dividend Yield.

FIXED INTEREST STOCKS
Table listing fixed interest stocks (20p, 100p, 100p, etc.) with columns for Issue Price, P/E Ratio, and Dividend Yield.

BASE LENDING RATES
Table listing base lending rates for various banks (A.B.N. Bank, Allied Irish Bank, Amro Bank, etc.) with columns for Rate and Bank Name.

"RIGHTS" OFFERS
Table listing rights offers (28p, 28p, 28p, etc.) with columns for Issue Price, P/E Ratio, and Dividend Yield.

FIXED INTEREST PRICE INDICES
Table listing fixed interest price indices (British Government, 1-5 Years, etc.) with columns for Index No., Day's Change, and High/Low.

Table containing various financial data, including a large table of stock prices and indices, and a section titled 'CONSTITUTION CHANGE' regarding the Trust House Forte.

Handwritten signature or mark at the bottom of the page.

AUTHORISED UNIT TRUSTS

Table of authorized unit trusts including Abbey Unit Tr. Mgrs., Abbey Unit Tr. Mgrs. (a), Abbey Unit Tr. Mgrs. (b), etc.

Table of authorized unit trusts including Abbot Fund Managers Ltd., Abbot Fund Managers Ltd. (a), Abbot Fund Managers Ltd. (b), etc.

Table of authorized unit trusts including Abbot Fund Managers Ltd. (c), Abbot Fund Managers Ltd. (d), Abbot Fund Managers Ltd. (e), etc.

OFFSHORE AND OVERSEAS FUNDS

Table of offshore and overseas funds including Alexander Fund, Allen Harvey & Ross Unit Tr. Mgrs., Allred Hambro Group (a), etc.

INSURANCE AND PROPERTY BONDS

Table of insurance and property bonds including Abbey Life Assurance Ltd., Abbot Life Assurance Ltd., Abbot Life Assurance Ltd. (a), etc.

INSURANCE AND PROPERTY BONDS

Table of insurance and property bonds including Abbot Life Assurance Ltd. (b), Abbot Life Assurance Ltd. (c), Abbot Life Assurance Ltd. (d), etc.

INSURANCE AND PROPERTY BONDS

Table of insurance and property bonds including Abbot Life Assurance Ltd. (e), Abbot Life Assurance Ltd. (f), Abbot Life Assurance Ltd. (g), etc.

INSURANCE AND PROPERTY BONDS

Table of insurance and property bonds including Abbot Life Assurance Ltd. (h), Abbot Life Assurance Ltd. (i), Abbot Life Assurance Ltd. (j), etc.

Notes and disclaimers regarding the data provided in the tables.



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, ICI, and various engineering firms, with columns for stock price and financial metrics.

INSURANCE—Continued

Table of insurance companies such as Lloyds, Norwich Union, and various life insurance providers, listing their stock prices.

PROPERTY—Continued

Table of property-related stocks including real estate investment trusts and construction companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts offering various asset classes like equities, bonds, and international investments.

FINANCE, LAND—Continued

Table of financial and land-related stocks, including banks, insurance companies, and land investment trusts.

Advertisement for 'The Scotch of a Lifetime' featuring 'The Buchanan Blend' whisky with a bottle image and descriptive text.

MINES—Continued

Table of Australian mining stocks, including companies like Anglo American, BHP, and various gold and iron ore producers.

TINS

Table of tin mining stocks, listing companies and their market prices.

COPPER

Table of copper mining stocks, including major producers like Anglo American and BHP.

MISCELLANEOUS

Table of miscellaneous stocks, including utility companies and other public sector entities.

NOTES

Notes section providing detailed financial information, including company announcements, analyst reports, and market commentary.

REGIONAL MARKETS

Table showing regional market data for various countries and regions, including stock indices and exchange rates.

OPTIONS

Table of options trading data, including call and put options for various stocks and indices.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks, including manufacturers like Rover, Leyland, and aircraft companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks, including titles like News International and Mirror Group.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks, including companies like Newsprint and advertising agencies.

PROPERTY

Table of property stocks, including real estate investment trusts and construction firms.

SHIPPING

Table of shipping stocks, including major shipping lines and related services.

SHOES AND LEATHER

Table of shoes and leather goods stocks, including manufacturers like Clarks and Frye.

SOUTH AFRICANS

Table of South African stocks, including mining and industrial companies.

TEXTILES

Table of textile stocks, including manufacturers like J. & F. Wright and others.

TOBACCO

Table of tobacco stocks, including major producers like British American Tobacco.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks, including investment trusts and financial institutions.

OVERSEAS TRADERS

Table of overseas trading companies, including firms like Anglo Siam and others.

RUBBERS AND SISALS

Table of rubber and sisal stocks, including plantations and processing companies.

TEAS

Table of tea stocks, including plantations and trading companies.

MINES

Table of mining stocks, including various metal and coal producers.

CENTRAL RAND

Table of Central Rand mining stocks, including gold and platinum producers.

EASTERN RAND

Table of Eastern Rand mining stocks, including gold and platinum producers.

FAR WEST RAND

Table of Far West Rand mining stocks, including gold and platinum producers.

O.F.S.

Table of O.F.S. (Overseas Finance and Securities) stocks, including international investment funds.

FINANCE

Table of finance stocks, including banks, insurance companies, and financial services.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks, including mining companies.

CENTRAL AFRICAN

Table of Central African stocks, including mining and industrial companies.

INDIA AND BANGLADESH

Table of India and Bangladesh stocks, including various public and private companies.

SRI LANKA

Table of Sri Lanka stocks, including various public and private companies.

AFRICA

Table of African stocks, including various public and private companies.

WEST AFRICAN

Table of West African stocks, including various public and private companies.

FINANCE

Table of finance stocks, including banks, insurance companies, and financial services.

INDIA AND BANGLADESH

Table of India and Bangladesh stocks, including various public and private companies.

INSURANCE

Table of insurance stocks, including various life and general insurance providers.

